

# 稻草熊娛樂集團

STRAWBEAR ENTERTAINMENT GROUP

於開曼群島註冊成立之有限公司  
INCORPORATED  
IN THE CAYMAN ISLANDS  
WITH LIMITED LIABILITY

股份代號  
STOCK CODE  
**2125**



## 2024 環境、社會 Environmental, 及管治報告 Social and Governance Report



稻草熊  
STRAWBEAR

彼之所樂，我之所幸



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# 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1 ABOUT THE REPORT

### 1.1 Report Overview

This is the fifth Environmental, Social and Governance (“ESG”) Report (the “Report”) of the Strawbear Entertainment Group (the “Company”). It provides a comprehensive overview of the Company’s management policy and performance with respect to ESG in 2024. In particular, corporate governance practices are recommended to be read in conjunction with the section headed “Corporate Governance Report” in the 2024 annual report of the Company.

In the preparation of the Report, the Company uses best efforts to ensure the information covered herein follow the reporting principles of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in terms of materiality, quantitative, balance and consistency. The Company will continue to strengthen its collection of reporting information to enhance the Company’s performance and disclosure on sustainability issues.

### 1.2 Scope of the Report

The policy documents, statements and statistics contained in the Report cover the Company and its subsidiaries and consolidated affiliated entities for the relevant period and their scope is consistent with that of the 2024 annual report of the Company. The timeframe of the Report covers work performed between January 1, 2024 and December 31, 2024 (the “Reporting Period”), whilst some of the descriptions extend beyond the above period for the purposes of completeness and continuity of explanation.

### 1.3 Basis of Preparation

The Report is prepared in compliance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) as set forth under Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), with reference to the Sustainable Development Goals (“SDGs”) of the United Nations.

### 1.4 Statement of Data Sources and Reliability

All data in the Report is extracted from the Company’s statistical reports and relevant documents. The Company undertakes that the Report does not contain any false information or misleading statements, and accepts liability for the veracity, accuracy and completeness of the contents of the Report.

The Company’s Board of Directors (the “Board” or “Board of Directors”), along with its Environmental, Social and Governance Committee (the “ESG Committee”) and senior management team, oversees the content of the Report to ensure it contains no false information, misleading statements, or material omissions.

The Report was approved for publication by the Board of Directors on March 26, 2025.



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## 1.5 Response to the ESG Reporting Principles of the Stock Exchange

**Materiality:** In line with relevant regulatory requirements such as the ESG Reporting Code and with reference to the key issues of peers, the Company communicated with various stakeholders by different means, and having taken into account the Company's strengths and characteristics, assessed the materiality of ESG-related issues to conclude with the material issues of the Company. These issues have been reviewed and confirmed by the Board of Directors and have guided the primary disclosures in the preparation of the Report.

**Quantitative:** The Company has established an ESG metrics management tool covering all departments. In addition to regularly collecting quantitative key disclosure indicators as required by the ESG Reporting Code and compiling them for year-end disclosure, the Company has also developed an ESG key performance indicator (KPI) framework that can be evaluated and verified.

**Balance:** The contents of the Report endeavor to give an accurate and objective picture of each issue, and a fair view of the Company's ESG management measures and performance during the Reporting Period, so as to ensure the contents are balanced and allow stakeholders to reasonably assess the Company's overall performance.

**Consistency:** Compared with previous years, the Report made no significant adjustment to the scope of disclosure and applied the same standards and methods in calculating the quantitative key indicators to ensure comparability across the reports. Any changes to the relevant assumptions or calculation methods are explicitly disclosed to inform stakeholders.

## 1.6 Version of and Access to the Report

The Report has been released simultaneously in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail. The Chinese and English versions of the Report are published in electronic format, which are available on, or can be downloaded from, the following websites:

- official website of the Strawbear Entertainment Group (<https://www.strawbearentertainment.com>)
- website of the Stock Exchange (<https://www.hkexnews.hk/index.htm>)



## 2 COMPANY PROFILE

Strawbear Entertainment Group is a major drama series producer and distributor in the PRC. Its business covers the investment, development, production and distribution of TV series and web series. The brand of Strawbear was originally established in June 2014, and the Company's headquarter is located in Nanjing, Jiangsu Province. After a decade of deep cultivation, precipitation and accumulation in the industry, relying on its strong new media genes and resource integration capabilities, and based on the platform operation model, the Company matches industry participants to the segments of the industrial chain where they are proficient, forming a robust ecosystem.

Since its listing on the Main Board of the Stock Exchange in January 2021, the Company has consistently enhanced its platform operation model, established strong partnerships with several mainstream TV Channels and the top online video platforms, and successfully distributed its high-quality drama series internationally. The Company has always adhered to the long-term development strategy of focusing on producing high-quality content. By accurately grasping market trends and policy directions, the Company concentrates its resources on creating high-quality drama series. At the same time, the Company is actively expanding into diverse fields, striving to gradually build a pan-entertainment ecosystem centered on high-quality IPs to promote its long-term development.

The Company has advanced creative concepts and an experienced production team, and is committed to creating first-class, era-defining film and television content products. Over the past decade, the Company has successively launched a number of highly anticipated drama series, including: *Legend Of Zu Mountain* (《蜀山戰紀之劍俠傳奇》) (pioneered the broadcasting model of "Online first, TV next (先網後台)"), *The Impossible Mission* (《不可能完成的任務》), *Treasure Adventure* (《國寶奇旅》), *Inside Man* (《局中人》), *Unbending Will* (《石頭開花》), *Dating In The Kitchen* (《我·喜歡你》), *The Forerunner* (《前行者》), *The Bachelors* (《追愛家族》), *Thousand Years For You* (《請君》), *The Examination for Everyone* (《大考》), *Unchained Love* (《浮圖緣》), *Never Give Up* (《今日宜加油》), *Hello Beautiful Life* (《心想事成》), *The White Castle* (《白色城堡》), *You are Desire* (《白日夢我》), *The Swimsuit Saga* (《乘風踏浪》), *In the Name of the Brother* (《哈爾濱一九四四》), *Lost Identity* (《孤戰迷城》) and *Love's Rebellion* (《四海重明》), etc.

Our Vision	To become a great entertainment conglomerate.
Our Mission	Adhere to tradition while promoting innovation, keep pace with the times, and create works of excellence for our era.
	At the content level, insist on creative transformation of content and actively promote traditional Chinese culture.  At the enterprise level, pursue innovative development and explore the corporate's second growth curve.
Our Corporate Culture	Think unpretentious, act diligently.



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## 3 BOARD STATEMENT

The Board attaches great importance to the Company's sustainability performance. As the highest responsible body for the management and public disclosure of the ESG issues of the Company, the Board plays the primary role of leadership and supervision, and assumes full responsibility. The Board is committed to integrating guiding principles for ESG into the strategy and operations of the Company and continuously reviewing its effectiveness to meet the ever-changing business needs arising from climate change, technological advances and rising operating costs. The Company also continues to raise the awareness of its employees on the importance of implementing ESG in the strategy and operations through various means. To manage the Company's ESG performance and identify potential risks, and to assist the Board in its ESG works, the Company has established the ESG Committee, and has set up the Environmental, Social and Governance working group (the "ESG working group") under the ESG Committee.

The Company highly values the expectations and demands of all stakeholders. By actively expanding the communication channels with stakeholders, the Company strengthens communication with internal and external stakeholders, identifies and assesses important ESG issues through interviews and surveys, discusses and reviews the results of the assessments at board meetings, and makes disclosures under the sections of "Communication with Stakeholders" and "Materiality Assessment" in the Report. The Board discusses and determines the Company's risks and opportunities in ESG-related issues and makes decisions on important ESG management work and projects for the year based on the external macro environment, the development trend of the industry and the Company's strategic plan. During the Reporting Period, the Company analyzed and discussed the initiatives and the effectiveness of such initiatives in such areas as employees' interests, business operation, intellectual property protection, supply chain management, business ethics and community investment. At the same time, the Company actively responded to China's strategy of carbon peak and carbon neutrality (the "dual carbon") by constantly refining its low-carbon environmental protection measures in light of the characteristics of the industry and the Company. In the future, the Company will continue to take the realization of sustainable development as the goal of the Company, encourage employees and other stakeholders to offer advice to the Company on the ESG construction, continue to monitor and review the feasibility and rationality of the goals and strategies, and adjust priorities for sustainable development actions based on domestic and international trends, to comprehensively improve the level of the Company's ESG construction, thereby realizing sustainable development in economy, society and environment.



## 4 ESG MANAGEMENT

### 4.1 ESG Management Structure

The Company adopts a top-down management approach to ESG matters. The Company established its ESG governance system in March 2022 as a three-tier governance structure consisting of the Board, the ESG Committee and the ESG working group. During the Reporting Period, the Company revised the *ESG Working Group Manual* (《ESG工作小組手冊》), which further provided more explicit guidance for the ESG work.



Picture: ESG management structure

- **Composition:** The Board consists of 2 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors.
- **Responsibilities:** The Board is the supreme decision-making body for ESG-related issues of the Company and bears overall responsibility for the Company's ESG policies, initiatives and effectiveness. The Board is responsible for providing guidelines for the management and supervision of ESG-related issues.





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- **Composition:** The ESG Committee consists of 2 executive Directors and 1 independent non-executive Director, being Mr. Liu Xiaofeng (chairman of the ESG Committee), Ms. Zhai Fang and Mr. Zhang Senquan.
- **Responsibilities:** The ESG Committee was established under the approval of the Board with principal duties including:
  - (i) guiding and formulating the Company's ESG vision, objectives, strategies and structure to ensure that they are in line with the needs of the Company and comply with applicable laws, regulations, regulatory requirements and international standards;
  - (ii) monitoring the development and implementation of the Company's ESG vision, strategies and structure;
  - (iii) guiding and reviewing the identification and ranking of material ESG issues of the Company;
  - (iv) reviewing the key ESG trends and related risks and opportunities, and assessing the adequacy and effectiveness of the Company's ESG structure accordingly;
  - (v) monitoring the channels and means of communication with the Company's stakeholders and ensuring the implementation of relevant policies so as to effectively promote the relationship between the Company and its stakeholders and protect the Company's reputation;
  - (vi) reviewing the Company's ESG report and other ESG-related disclosures, and making recommendations to the Board in order to maintain the integrity of the ESG report and other ESG-related disclosures of the Company; and
  - (vii) ensuring that the Company's ESG report is prepared in accordance with the ESG Reporting Code set out in Appendix C2 to the Listing Rules.
- **Composition:** ESG working group consists of heads of relevant functional departments.
- **Responsibilities:** It is mainly responsible for the formulation, implementation, execution and supervision of the Company's ESG-related goals and work, as well as the co-ordination of all relevant departments and the implementation of specific ESG projects, so as to ensure that each ESG issue is handled. Meanwhile, the ESG working group regularly conducts objective assessments of the results and effectiveness of the Company's ESG work and reports to the ESG Committee.





## 4.2 Guiding Principles for ESG Management

The Company attaches great importance to the organic integration of its guiding principles for ESG with its operation and development, constantly improves its ESG management practices and focuses on the business framework of the platform operation model. By building an innovative, energetic and sustainable development ecology that efficiently connects all production links in content creation, the Company conducts in-depth exploration of the top resources gathered in its operation model and continuously iterates and updates them to ensure that the Company can launch film and television cultural works that meet the viewing needs of the public with a stable shooting pipeline and high production efficiency. At the same time, as a high-quality content producer and distributor in the industry, the Company deeply recognizes the Company's pursuit of sustainable development should prioritize the construction of an efficient and transparent corporate management structure, more actively and proactively integrating corporate social responsibility, the impact of climate change, and the interests of the entire society with the corporate's development goals and the interests of all shareholders, and fully implementing these in production, operation, and management. Therefore, the Company has integrated the guiding principles for ESG management with its overall strategy, management philosophy and business plan so as to form a standardized and disciplined management system.

The Company continues to enhance its ESG practices and strengthen ESG information disclosure and has formulated the following ESG management strategies by taking into account the corporate development strategy, current status of ESG development and the foundation laid by its previous efforts:

- **Deepen green and low-carbon operation:** continuously exploring and enhancing the green and low-carbon operation model, taking into account the operation rules and regulations, employees' interests, the Company's operational needs and other elements, deeply considering and implementing the green concept, actively promoting the idea of green commuting, green office practices and green production, creating effective means, using innovative tools, improving the production of drama series and production efficiency through green industrialized production, and reducing negative impact on the environment caused by each production stage of its business operation;
- **Commit to innovating content products:** insisting on the innovation of content production and the application of Artificial Intelligence ("AI") to assist in creative and production technologies, creating a "green film list" that is in line with the ESG concepts – at the ideation stage of the project, the Company conducts in-depth communication with leading partners in the industry to deeply integrate the ESG concept with the theme and genre of the content of films and drama series, so as to create excellent works with positive energy; at the stage of incubation and production of film and television projects, the Company, with an optimistic and cautious attitude, explores more diversified and innovative products and ways of interacting with the public. Meanwhile, through production practices that incorporate ESG concepts, the Company, as a content producer, actively and adequately fulfills its responsibilities to convey the correct values to the public;
- **Build a sustainable supply chain:** building a fair, uncorrupted, honest, mutually beneficial and sustainable supply chain management system, improving the supplier evaluation system, and strengthening the dynamic management on supplier qualification and performance, so as to effectively reduce risks in the supply chain;
- **Strengthen compliance culture development:** strengthening the prevention and control of compliance risks and public opinion crises, and building a corporate culture featuring cleanness, integrity, uprightness and honesty;
- **Improve the talent management system:** establishing a sound system for safeguarding employees' rights and benefits, and a diversified and inclusive employee development system to achieve a harmonious and win-win employer-employee relationship;



- **Promote industry exchanges and cooperation:** attaching great importance to exchanges and cooperation with outstanding partners in the industry, upholding the principle of “cultural confidence and cultural innovation”, actively promoting traditional Chinese culture, and jointly exploring the ways of “going global”; establishing a closed-loop of the content production ecological chain with the Company as the core, and enhancing the Company’s impact on sustainable development; and
- **Stay committed to giving back to society:** performing its corporate social responsibility, actively participating in social welfare activities, and building a mutually beneficial, harmonious, stable and sustainable relationship between the Company and the community to make more contributions to sustainable development.

## 4.3 Risk and Crisis Management

The Company has established a comprehensive risk management and control system, which provides an important guarantee for the Company to achieve its strategic and operational objectives. Meanwhile, the Company has formulated the *Risk Management Regulation* (《風險管理制度》), which has clarified the basic risk management process, so as to identify and monitor the Company’s potential risks and their probability of occurrence in a timely manner, and take necessary prevention and control measures in advance or take compensatory measures to reduce risk losses.



Picture: Basic Risk Management Process of the Company



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The Company has established a robust “three lines of defense” model for risk management and has clarified the responsibilities and authorities of each management level, ensuring the Company’s stable development and long-term value.

## The Board

**Deliberate appropriate and effective risk management and internal control systems; assess and determine risk management strategies; review the risk assessment reports submitted by the Audit Committee; approve major risk response plans, etc.**

### Audit Committee

#### The third line of defense: Formulating risk management strategies

The Audit Committee is responsible for formulating the Company’s risk management strategies and submitting them to the Board for evaluation; conducting internal reviews of the Company’s risk management matters and internal control work outcomes, reviewing the effectiveness of existing strategies; and leading the research on response strategies for new risks.

### Securities Investment and Financing Department

#### The second line of defense: Coordinating risk assessment management

The Securities Investment and Financing Department is responsible for internal risk auditing, monitoring, and management; organizing and coordinating various departments to conduct risk assessments, and submitting the final reports and corresponding prevention measures to the Audit Committee and the Board, assisting them in making risk management decisions.

### Other functional departments

#### The first line of defense: Routined risk identification and management

Under the coordination of the Securities Investment and Financing Department, each position or department is responsible for assessing and reporting business-related risks, regularly reviewing the level of risk management to manage the Company’s potential risks in an all-round way, and optimizing risk response strategies in a timely manner.

Picture: the “three lines of defense” in the Company’s risk management



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## 4.3.1 ESG Risk Management

The Company has also taken ESG risks (including climate risks) into consideration in its risk management framework and incorporated sustainability elements into its business operations and adapt to the increasingly stringent standards required by regulatory authorities for disclosure in these aspects. In order to effectively prevent various types of risks, the Company's ESG working group regularly assesses the probability of occurrence and the extent of impact of ESG-related risks, and reports relevant trends, risks and opportunities to the Board and the ESG Committee. At the same time, it provides suggestions and formulates corresponding risk response measures.

In accordance with the recommendations of the Task Force on Climate-Related Financial Disclosure (the "TCFD"), the Company has also conducted a comprehensive mapping of its exposure to physical risks and transition risks associated with climate change, and formulated countermeasures for the identified key risks in order to enhance the Company's resilience to operations and financial performance. These contents are referred to the "A4 Climate Change" section in the report.

During the Reporting Period, the Company did not experience any ESG crisis events.

## 4.3.2 Crisis and Public Opinion Management

In order to prevent all kinds of potential crises and respond to all kinds of emergencies, the Company has established a crisis and public opinion management system, committing to improving its crisis management capability in all respects. The Company has engaged a professional third-party consultant to manage public opinion on a daily basis, with the Public Opinion Information Monitor Specialist responsible for monitoring public opinion, assessing the level of public opinion alert when negative public opinion is found and reporting the relevant situation of negative public opinion to the relevant departments. The Company properly handles public opinion in accordance with the results of the negative public opinion information notifications. In addition, the Company has clearly defined the detailed procedures for crisis response. For public opinion or corporate crisis with a large negative impact, the Company sets up a crisis response team at once, formulates a detailed crisis response plan and takes actions to protect the Company's social image and ensure the sustainable development of its business.

During the Reporting Period, the Company did not experience any major crisis or negative public opinion.



## 4.4 Social Honors

During the Reporting Period, the Company was awarded various rewards in recognition of its ESG management system construction, green industrial production, women's empowerment, high-quality drama series works, social welfare and other outstanding performance. The Company was honored as the "Inclusion China" Influential Enterprise of the Year (「融合中國」年度影響力機構) in the 2024 All-Media Information Industry Innovation Conference and "Inclusion China" Promotion Ceremony for Outstanding Radio, Film and Television Projects held in Ningbo on April 14, 2024; at the "All Blossom • ESG She Power Conference (萬物生長 • ESG她力量峰會)" held in Hangzhou on April 25, 2024, the Company was honored with the "ESG She Power Model Organization of the Year (年度ESG她力量榜樣機構)" award; the Company was honored with the "ESG Connect Pioneer Star (Society – Mainland) (ESG Connect先鋒星章(社會-內地))" issued by the Hong Kong Quality Assurance Agency on May 30, 2024; the Company was awarded with the "2024 ESG Influence Special Award (2024年度ESG影響力特別獎)" at the 14th Philanthropy Festival and 2024 ESG Influence Annual Conference on January 9, 2025; the Company was awarded with the "Drama Company of the Year" of Golden Pufferfish (金河豚「年度劇集公司」) in the CEIS 2025 China Entertainment Industry Annual Conference and Golden Pufferfish Honourably Selected Event held in Beijing. In addition, the Company was recognized as an "Virtual Reality Award" for 2024 Outstanding Case in Cultural Technology Investment and Financing (「靈境獎」2024文化科技投融资優秀案例) at the 2024 Cultural and Technological Integration Ecology Conference held in Nanjing on October 23, 2024. Mr. Liu Xiaofeng, chairman, chief executive officer and chairman of ESG Committee of the Company, was recognized as the "Inclusion China" Person of the Year for industry contribution (「融合中國」年度貢獻力人物) and the "Dramatist of the Year" of Golden Pufferfish (金河豚「年度劇集人」) awards; Ms. Zhai Fang, executive Director, chief operating officer and member of ESG Committee, was honored as the "ESG She Power Female Trailblazer of the Year (年度ESG她力量女性開拓者)" and the "2024 ESG Pioneer (2024年度ESG先鋒人物)" awards.



Picture: ESG Connect Pioneer Star (Society-Mainland)



Photo: Two Awards from "ESG She Power" of the Year





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Picture: 2024 ESG Influence Special Award



Picture: 2024 ESG Pioneer Award



Photo: "Dramatist of the Year" of Golden Pufferfish



Photo: "Drama Company of the Year" of Golden Pufferfish



Photo: "Virtual Reality Award" for 2024 Outstanding Case in Cultural Technology Investment and Financing



## 5 ACTIVELY SUPPORTING SDGS

The aims of SDGs are to provide guidelines to the countries around the world in order to address the issues arising from their development in three major areas, namely economy, society and environment, and encourage all parties, including enterprises, to actively contribute their own efforts to achieve sustainable development. Based on its own business characteristics, the Company has identified a series of priorities within the SDGs framework that are most important for the corporate development and has integrated them with its guideline principles for ESG, serving as a guideline for the Company's ESG work.

While actively growing the business, the Company actively seeks to realize the aligned development of its business value and social value, and has identified 10 SDGs and major areas related to the Company's business and taken a series of measures as follows.



Picture: The 17 SDGs of the United Nations

SDGs related to the Company's business	Goal description	The Company's actions in 2024
3 Good health and well-being	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> <li>The Company concerns the physical and mental health as well as the safety of its employees, and provides them with such protections as social insurance (covering, among others, work injury, maternity, pension, unemployment and medical care) and supplementary medical insurance. It also arranges psychological counseling courses and annual physical examinations for the employees</li> <li>It has designated a fitness and a meditation area in the office, and holds regular fun sports games for the employees and outward bound training, gatherings and team building as well as industry exchange meetings so as to create a healthy and safe work environment</li> <li>The Company offers employees the opportunity to work from home once a month, allowing them to choose any day of the month to work from home. This initiative enhances their sense of well-being and provides additional support for female employees during their special monthly needs</li> <li>Employees are granted two opportunities for green commuting every month. If they are late for work within one hour when using green transportation, it will not be counted in the attendance record</li> </ul>





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SDGs related to the Company's business	Goal description	The Company's actions in 2024
4 Quality education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>The Company provides its employees with on-the-job training programs which focus on their career capability development</li> <li>It organizes regular tea gatherings with industry experts to keep employees abreast of information and development trends in the cultural and entertainment industry</li> <li>It promotes lifelong learning and encourages and supports its employees to participate in external training programs for capacity building such as certificate and grades examinations</li> </ul>
5 Gender equality	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> <li>The Company conforms to the concept of gender diversity, firmly opposes gender discrimination, provides equal opportunities for female employees, and designs cultivation courses on the theme of female growth, so as to inject female force into the construction of the Company</li> <li>As of December 31, 2024, 28.6% of the Board members are female. In the future, the Company will continue to seize opportunities to lift the proportion of female members</li> <li>As of December 31, 2024, 62.3% of the Company's staff are female, and the Company remains committed to maintaining a high level of female representation in its workforce in the future</li> </ul>
8 Decent work and economic growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>The Company advocates promoting righteousness by entertainment, promotes the common growth of its partners in all production segments of the cultural and entertainment industry with its platform operation model, supports economic development and provides more decent job opportunities for society</li> <li>It protects the legitimate rights and interests of its employees, keeps improving its talent management system, and provides competitive remuneration packages and reasonable fringe benefits</li> <li>It encourages its employees to pursue balance between life and work</li> </ul>



SDGs related to the Company's business	Goal description	The Company's actions in 2024
9 Industries, innovation and infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> <li>The Company has innovated a platform operation model which stimulates the vitality in every aspect of content production</li> <li>It has set up a "green film list" to continuously explore the integrated applications of AI technologies, green production, and ESG guiding principles in content production</li> <li>It encourages creative content formats and seeks product matrices with diversified segments for multiple target circles and tracks</li> <li>It promotes the pan-cultural and entertainment industry layout that focuses on quality IPs and explores the value transformation of offline IPs</li> <li>It actively expands the development of innovative cultural products in the cultural and entertainment industry, with film and television IP as the core</li> <li>It constantly improves its customer structure, expands business cooperation model and product distribution channels, and innovate the product and revenue structures</li> </ul>
10 Reduced inequality	Reduce inequality within and among countries	<ul style="list-style-type: none"> <li>The Company provides a transparent and equitable career path and an internal promotion system for all employees</li> <li>It encourages its employees to actively participate in public welfare activities and cares for the lives of women and children, and people with disabilities</li> </ul>
12 Responsible consumption and production	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>The Company encourages green commuting, green office and green production and focuses on environmental protection and resource recycling in the film site</li> <li>It practices responsible product content promotion and protects customer privacy</li> <li>It has improved its communication mechanism with customers to collect feedback</li> <li>It has established a sustainable supply chain management system</li> </ul>



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SDGs related to the Company's business	Goal description	The Company's actions in 2024
13 Climate action	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"><li>• The Company actively promotes the concept of low-carbon environmental development</li><li>• It supports the dual carbon target and has formulated scientific carbon reduction measures</li><li>• It identifies climate change risks and develops preventive measures having considered the level of impacts to cope with climate risks</li></ul>
16 Peace, justice and strong institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"><li>• The Company has created a corporate culture of integrity, honesty and fairness</li><li>• It operates in compliance with regulations and with integrity</li><li>• It organizes regular internal training on legal knowledge to provide updates on latest laws and regulations as well as peer cases to raise employees' legal awareness</li></ul>
17 Partnerships for the goals	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	<ul style="list-style-type: none"><li>• Leveraging the role of its operational platform, the Company collaborates with partners to jointly drive the prosperous development of the industry</li><li>• The Company actively engages in exchange and communications among industry peers, continues to put efforts into building the community for outstanding talents and artists and strengthen the training of new-generation producers, continuously strengthens its supply chain management so as to promote win-win and sustainable supplier partnerships</li></ul>



## 6 COMMUNICATION WITH STAKEHOLDERS

The Company greatly values the participation of stakeholders and is committed to building good cooperation and mutually beneficial relationships with internal and external stakeholders. By actively establishing and expanding communication channels, the Company maintains regular and close communication with government and regulators, shareholders and investors, customers, employees, suppliers and partners, society and the public, as well as other stakeholders, and listens and responds to the reasonable expectations and requirements of different stakeholders, and integrates them into the Company's daily operations and future planning, achieving a win-win situation and maximize comprehensive value with stakeholders.

Stakeholders	Expectations and requirements	Communications and response in 2024
Government and regulators	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Paying tax in compliance with law</li> <li>Compliance operation</li> <li>Business ethics</li> <li>Support economic development</li> </ul>	<ul style="list-style-type: none"> <li>Compliance management</li> <li>Routined communication and reporting</li> <li>Full payment of tax</li> <li>Industrial production of quality drama series</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Financial results</li> <li>Regulated corporate governance</li> <li>Business development</li> <li>Information disclosure</li> <li>Communication channels</li> </ul>	<ul style="list-style-type: none"> <li>Regular disclosure of financial and operational information</li> <li>General meetings</li> <li>Corporate website and investor relations emails</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Quality of service</li> <li>Product quality</li> <li>Satisfaction of diverse demands of customers</li> <li>Feedback channels</li> </ul>	<ul style="list-style-type: none"> <li>Product innovation and upgrade</li> <li>Responsible promotion</li> <li>Customer information and privacy protection</li> <li>Provision of tailored content services and exploration of innovative collaboration paradigms</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Protection of employees' rights and interests</li> <li>Career development platform</li> <li>Protection of occupational health</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Formulation and periodical updates of the Staff Manual 《員工手冊》</li> <li>Caring leave system</li> <li>Well-established rules for promotion and career development</li> <li>Competitive remuneration and benefits</li> <li>Continuous optimization of staff training system</li> <li>Team building and public welfare activities</li> </ul>



# 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders	Expectations and requirements	Communications and response in 2024
Suppliers and partners	<ul style="list-style-type: none"><li>• Cooperation with integrity</li><li>• Information sharing</li><li>• Win-win cooperation</li><li>• Business ethics and credibility</li></ul>	<ul style="list-style-type: none"><li>• Supplier selection system</li><li>• Promotion of daily communication</li><li>• Implementation of project cooperation</li><li>• Performance of obligations under agreements in accordance with the law, and supplier evaluation</li><li>• Special internal control and risk management</li></ul>
Society and the public	<ul style="list-style-type: none"><li>• Support of social welfare activities</li><li>• Participation in community development</li><li>• Protection of natural environment</li></ul>	<ul style="list-style-type: none"><li>• Engagement in charitable causes</li><li>• Volunteer services</li><li>• Promotion of resource and energy efficiency</li><li>• Promotion of positive values to the public through its content products</li></ul>

## 7 MATERIALITY ASSESSMENT

In order to accurately identify the focus of ESG management practice and fully optimize the practice of ESG issue-based management, the Company established an assessment process for material issues to define material ESG issues that are relevant to the sustainable development of the Company and stakeholders.

### Identification of material issues

By conducting external policy research, benchmarking analysis of industry peers, industry development trend survey, reviewing other relevant documents and combining the Company's development strategy, its business features and its own characteristics, a total of 21 material issues which would pose impact on the Company's operations and development or affect the stakeholders' assessment and decision-making of the Company were identified.

### Conducting interview and market research

Third party experts and consultants were engaged to take charge of relevant work, prepare and distribute questionnaires on material ESG issues with reference to the interviews with the Company's management and other stakeholders, and make comparisons with the comparable companies in the same industry for the ESG performance benchmarking.



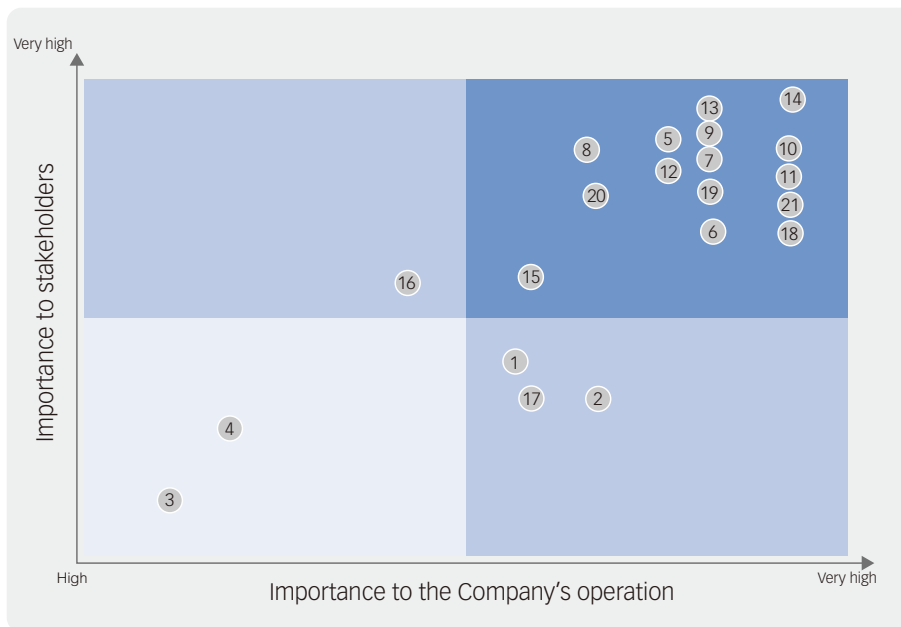
## Determination of the priority of issues

The priority of issues was identified based on the stakeholders' comments and the data collected from the questionnaires. After being submitted to the Board for review, such priority of issues for the year was determined.

## Verification and reporting

A materiality assessment matrix was established based on the results of the issue evaluation and highlighted disclosure on issues that fall into the core issues matrix was made in the report.

During the Reporting Period, the Company reviewed and assessed the ESG issues of concern to each stakeholder and analyzed and sorted the importance of ESG issues from two dimensions, being the materiality to the Company's operation and to the stakeholders, through policy research, enterprise interview, questionnaires and industry benchmarking to get full understanding of each stakeholder' expectations and suggestions, and to provide a basis for the formulation of long-term ESG development strategy. In 2024, the Company identified fifteen issues of high importance, four of moderate importance and two of low importance in total.



Picture: Analysis of material issues in 2024



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Materiality	No.	Issue name
Issue of high importance	14	Intellectual Property Protection and Development
	10	Protection of Employees' Interests
	11	Employees' Health and Safety
	21	Compliance Operation
	18	Cultivation of Anti-corruption and Integrity Culture
	13	Legal and Compliant Employment
	9	Product and Service Quality
	7	Content Review and Advertising Compliance
	19	Business Ethics
	6	Innovation in Content Formats and Technologies
	5	Diversity of Film and Television Audience
	12	Employees Training and Development
	8	Information Security and Privacy Protection
	20	Risk and Crisis Management
	15	Sustainable Supply Chain Management
Issue of moderate importance	16	Communication with Stakeholders
	17	Community Investment and Public Welfare
	1	Waste Management
Issue of low importance	2	Energy and Resource Management
	4	Greenhouse Gas (GHG) Emissions Management
	3	Responses to Climate Change





## 8 A ENVIRONMENTAL RESPONSIBILITY

The Company always insists on the concept of green development, and actively responds to the national call for building a resource-saving and environment-friendly society. Despite operating in the film and television industry which is neither a discharger of wastewater and exhaust gases nor a large consumer of energy and resources, the Company takes an active role in integrating green strategies into its daily operations. The Company formulates the *Low Carbon Business and Operation Policy* (《低碳業務與運營政策》), continuously improves environmental management capabilities, escalates commitment to environmental protection, implements energy-saving and consumption reduction requirements, vigorously carries out education on environmental awareness and puts it into consistent action, and minimizes the negative impact on the ecological environment so as to contribute to the construction of ecological civilization.

The Company has established three environmental objectives in terms of energy saving, water saving and waste reduction, based on its own actual business and future development plan, taking into account the external policy directions and industry development trends, and clearly defined the path and key actions of achievement. During the Reporting Period, the Company made every effort to push forward with relevant actions and measures, while actively listening to opinions and feedbacks from employees, partners and other stakeholders on environmental protection issues, and continued to follow up on the progress of targets.

Energy usage	Water efficiency	Waste reduction
Objective: Strengthening energy consumption management, reducing energy waste, and improving energy use efficiency	Objective: Setting reasonable water consumption indicators and improving water efficiency	Objective: Optimizing waste management levels to achieve 100% compliant disposal of solid waste
Key Actions in 2024 <ul style="list-style-type: none"> <li>By using filming technologies such as re-use of the filming bases, the studios and digital asset libraries in the filming process to replace actual set construction, so as to reduce resources waste while ensuring the quality of the drama series filming</li> <li>Strengthening employees' energy saving awareness</li> <li>Promoting turning off lights when leaving office, saving electricity and posting energy-saving signs</li> </ul>	Key Actions in 2024 <ul style="list-style-type: none"> <li>Strengthening employees' water conservation awareness</li> <li>Promoting water conservation and posting water-saving signs</li> <li>Checking regularly the water pipes, taps and other water supply facilities, and reporting any leakage to the property department and other operation and maintenance units for repair to avoid wastage</li> </ul>	Key Actions in 2024 <ul style="list-style-type: none"> <li>Promoting a paperless office and formulating scenario guidelines on reasonable use of paper</li> <li>Strengthening waste classification and improving waste disposal management</li> <li>Focusing on waste management and material recycling on the filming site</li> <li>Strictly controlling the use of plastic bottled water in meetings</li> <li>Reducing the use of the disposables</li> <li>Strengthening employees' waste reduction awareness</li> <li>Setting up dedicated recycling stations for used clothes, books, computers and other waste for recycling and encouraging employees to participate in this practice</li> </ul>



# 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 8.1 A1 Emissions

The Company does not involve sewage and exhaust emission in the operational process. Waste is only generated during office hours, which mainly includes office waste, domestic waste and food waste. The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》) and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》) and other laws and regulations to actively reduce various types of waste generated in its operations. During daily office operations and the production crew in filming, the Company proactively follows the national policy of waste sorting and recycling by setting up separate bins in its office area and appointing dedicated personnel for cleaning up the filming sites, and effectively manages various types of waste to ensure proper disposal. During the Reporting Period, the Company did not violate the laws and regulations related to emissions.

**Table: Waste Generation in 2024**

Indicator		Unit	2024
Total hazardous waste generation		Tonnes	0.024
Hazardous waste generation intensity		Tonnes/RMB million revenue	0.00002
Hazardous waste by category	Used toner cartridges	Tonnes	0.003
	Used batteries	Tonnes	0.011
	Used ink cartridges	Tonnes	0.01
	Other electronic waste (not recyclable), including, among others, computers and printers	Tonnes	0
Total non-hazardous waste generation		Tonnes	4.40
Non-hazardous waste generation intensity		Tonnes/RMB million revenue	0.00391
Non-hazardous waste by category	Office paper	Tonnes	0.40
	Domestic waste	Tonnes	2.40
	Food waste	Tonnes	1.60





Photo: Separate bins in the office area

## 8.2 A2 Use of Resources

The resources used by the Company in its operational process mainly comprise electricity, gasoline and water resources. Since the Company is mainly engaged in the investment, development, production and distribution of film and drama series content, which do not produce large quantities of physically tangible products, it does not use or consume large quantities of packaging materials. In addition, the Company has low consumption of energy as it has a small number of staff, and only uses energy during office hours and when using cars. The water source of the Company is municipal water supply, with the primary water consumption being domestic use in the office area, thus the Company has been able to obtain suitable water sources without difficulty. The Company also records energy usage and water consumption on a regular basis to monitor resource utilization levels and updates the initiatives to reduce the use of resources from time to time.

In its daily operations, the Company strictly complies with relevant laws and regulations such as the *Environment Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》) and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》), and improves its drama series production productivity and efficiency through green industrialized production. Unswervingly taking “enhanced quality and efficiency” as its top priority during its operation, the Company is committed to the protection of resources and the improvement of resource utilization efficiency, and actively practices the concept of green and sustainable development. During the Reporting Period, the Company did not violate the above-mentioned laws and regulations.



# 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Table: Energy Consumption in 2024**

Indicator	Unit	2024
Purchased electricity	kWh	32,448
Gasoline	Liter	8,139
Comprehensive energy consumption <sup>1</sup>	Tonnes of standard coal equivalent	12.67
Energy consumption intensity	Tonnes of standard coal equivalent/RMB million revenue	0.011
Conversion of electricity for energy consumption	kWh	103,094.06
Conversion of electricity for energy consumption intensity	kWh/RMB million revenue	94.032

<sup>1</sup> Comprehensive energy consumption is calculated in accordance with the *General Principles for Calculation of the Comprehensive Energy Consumption* (《綜合能耗計算通則》) (GB/T 2589-2020) issued by State Administration for Market Regulation and Standardization Administration of China.

**Table: Water Resource Consumption in 2024**

Indicator	Unit	2024
Total water consumption	Tonnes	1,266
Total water consumption intensity	Tonnes/RMB million revenue	1.126

## 8.3 A3 The Environment and Natural Resources

Since the Company is engaged in film and drama series production business, which mainly includes, among others, human activities on the shooting sites, and does not involve large-scale production activities, and the crew members strictly comply with the regulations on environmental protection in the *Administrative Measures for the Crew* (《劇組管理辦法》), the possibility of causing substantial impact on the environment and natural resources in its daily operation process is remote. As the Company has expanded its scale and diversified its business, the Company has always been committed to integrating the concepts of environment and natural resource protection into the Company's daily operations and shooting activities, and keeping close attention to and careful consideration of environmental and resource issues, so as to avoid causing substantially negative impact on the environment and natural resources. The Company will also keep reviewing its existing environmental protection systems and consider timely measures and regulations to enhance the protection of the environment and natural resources, with an aim to contribute to the improvement of the global ecological environment.



## 8.3.1 Green Office

The Company actively promotes the low-carbon and environmentally-friendly green office concept, and adheres to green operation to minimize the negative impact of daily operations on the environment. During the Reporting Period, the Company enhanced employees' awareness of green office through internal training and promotion activities, and adopted a series of measures to ensure that the green office concept was embraced during the Company's operations. Specific measures included but not limited to:

- Paper saving: Promote smart office practices and advocate paperless office, preset the printers to duplex printing and post paper saving signs on them;
- Water and electricity saving: Post water and electricity saving signs in the office area and implement the "safety officer" strategy to ensure the last person who leaves the office to turn off water and electricity;
- Resource management: Implement the office supply claim mechanism, designing differentiated office supply claim quotas based on job positions, so as to avoid unnecessary waste; reduce the consumption of disposable items, such as paper cups, bottled mineral water and disposable tableware, and give discounts to employees who use their own cups or recyclable tableware at the Company's snack corner and coffee area; and
- Resource recycling: Set up recycling corners in the office area for old clothes, books, computers and other waste materials to promote the recycling of resources.



Photo: Water saving sign in the office



Photo: Electricity saving sign in the office



Photo: Paper saving sign



Photo: Resource recycling corner





## 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 8.3.2 Green Production

The Company has been adhering to the concept of green production, actively building a green crew. The Company has adopted a series of innovative measures to reduce unnecessary resource consumption and carbon emissions from the conventional film and television production practices.

During the filming process, the Company prioritizes low-carbon and environmental protection practices while ensuring the filming quality of the drama series by purchasing high-quality and environmentally-friendly props as well as high-quality and environmentally-friendly paints and recyclable building materials when setting up scenes; coordinating the use of new-energy vehicles by the crew; using reusable food containers and degradable lunch boxes; and exploring the use of the “mobile production system” to digitize various workflows of the crew and effectively save the consumption of paper and other resources in the production process.

On the filming site, the Company has paid attention to the ecological protection and waste management by appointing dedicated personnel to manage and maintain the surrounding environment around the shooting site, implement waste sorting and recycling, and clean up the site after the completion of the shooting so as to avoid ecological damage; and taking full advantage of the reuse of filming bases, studios and digital asset libraries, and the technologies such as LED screens to replace actual set decoration, thereby reducing waste in resources, transportation and other aspects, and shortening preliminary preparation time for the crew. For example, outdoor natural scenes were reproduced via panoramic scanning technology for the *Lost Identity* (《孤戰迷城》) broadcasted in 2024, which not only diversified the dynamic effects of the characters within the scenes, but also were reusable in subsequent drama projects, reducing the consumption of related resources.

The Company has also actively promoted the recycling and reusing of the crew’s props by establishing warehouses at filming bases such as Hengdian World Studios to store and reuse the crew’s assets, such as props and clothes, so as to maximize the reuse rate of resources and reduce waste and environmental pollution caused by waste disposal at the beginning.

### 8.3.3 Green Commute

The Company strongly encourages its employees to adopt green and low-carbon traveling and incorporate this concept into their daily travel to reduce greenhouse gas emissions generated from transportation. In order to arouse employees’ awareness of green travel, the Company advocates “green and low-carbon commute” by implementing a flexible clock-in system to encourage its employees to use low-carbon travel methods such as shared bikes, electric vehicles and public transport during their daily commute, and to provide employees with green travel attendance awards twice a month. Employees who are late for work by less than one hour due to the use of green travel methods can produce relevant proof for attendance adjustment. At the same time, the Company allows employees to apply for working at home once a month, and strongly promotes mobile office and online meetings to reduce unnecessary business activities and traveling.



## 8.4 A4 Climate Change

### 8.4.1 Governance

The Company relies on its ESG management structure to oversee climate-related risks and opportunities. Under this structure, the Board is fully responsible for the management of climate risks and opportunities; the ESG Committee is responsible for guiding and reviewing the identification and analysis of climate-related risks and opportunities, formulating response strategies, and reporting regularly to the Board; and the ESG working group ensures the implementation of all measures and reports regularly to the ESG Committee.

#### The Board

- Being the highest decision-making and oversight body for climate change matters
- Fully supervising risk management related to climate issues
- Regularly reviewing the effectiveness of the Company's climate management strategies, including guidelines, targets and action plans

#### The ESG Committee

- Being responsible for guiding and reviewing the identification, assessment and analysis of climate change-related risks and opportunities
- Guiding the setting of the Company's sustainable development direction and climate targets
- Regularly evaluating the effectiveness of climate change response measures and reporting to the Board

#### ESG working group

- Being responsible for identifying and analyzing the Company's climate-related risks and opportunities, developing risk mitigation and adaptation plans, and setting reasonable climate targets
- Implementing robust and actionable measures to effectively mitigate and address the impacts of climate change
- Facilitating the cross-departmental collaboration to drive the implementation of climate actions, and continuously monitoring the progress and execution of established targets
- Providing timely feedback to the ESG Committee





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## 8.4.2 Strategy

Climate change is becoming one of the greatest challenges in the 21st century in the world. Responding to climate change represents an objective and inherent requirement for sustainable development, and the Company cannot ignore its impact and remain indifferent. As the Company's business mainly involves drama series and films production and licensing of drama series and films broadcasting rights, and except for on-site filming, partners and employees responsible for early-stage preparations, screenwriters, post-production and other stages and other staff of the Company can meet the Company's operational requirements by online working, the Company's operation process faces with lesser climate change risks. However, the Company is deeply aware of the importance of climate change to its long-term development, and adheres to the national dual carbon target as its highest strategic guideline by following industry standards, and paying close attention to the potential impact of climate change on the Company's business and operations, so as to improve response measures in due course and support the global climate action.

In order to enhance its ability to address climate change, the Company has included climate-related risks into its overall risk assessment and management system. Based on the industry characteristics of the Company and its actual operational situation, the Company has conducted climate-related risk identification, forming the following list of physical and transition risks. This includes an analysis of the actual and potential impacts of the identified risks on the operations of the Company and the corresponding risk response measures.

Risk	Type	Potential Risk Impacts	Responses Measures
Transition Risks	Policy and regulation	<ul style="list-style-type: none"><li>Increasingly stringent government's policies, laws and regulations relating to carbon emissions and environmental information disclosure, which will add to compliance costs for enterprises</li><li>The national carbon emissions trading market is taking shape, and its policies on carbon tax and carbon price will add additional cost pressure on enterprises</li><li>The Stock Exchange's new guidelines and requirements on ESG and climate information disclosure, which increases the compliance pressure</li></ul>	<ul style="list-style-type: none"><li>Pay more attention to the government's policies and regulations on climate change, and continuously follow the trend of global climate change</li><li>Use less traditional fossil fuels but more clean energy, so as to respond to the regulatory requirements from the source</li><li>Enhance environmental information disclosure based on domestic and foreign guidelines for disclosure of sustainability-related information</li><li>Closely monitor the trend of the Stock Exchange's policy changes, and hold policy interpretation and sharing sessions in respect of the newly released policies, to actively respond to the new policies and enhance employees' awareness of ESG and climate change risk prevention</li></ul>



Risk	Type	Potential Risk Impacts	Responses Measures
	Technology	Low-carbon and energy-saving technologies are being increasingly applied during drama productions, and lagging technologies may undermine our competitiveness	Explore the application of artificial intelligence, digital, low-carbon and energy-saving technologies in drama filming and production
	Market	Increasing demand from audiences for climate change and environmental protection may lead to changes in audience and customer preferences	<ul style="list-style-type: none"> <li>Continuously pay attention to the concerns and content demands of audiences for various topics on ESG issues, and constantly explore and innovate content and expression methods based on audiences' needs and industry trends</li> <li>As a socially responsible content producer, the Company will communicate closely with outstanding practitioners inside and outside the industry, and incorporate quality content that matches the themes of ESG and sustainable development into the content selection</li> </ul>
	Reputation	With the rising public concern over climate change, there is a risk of negative publicity if episodes are produced in an environmental-unfriendly way	<ul style="list-style-type: none"> <li>Strictly review the project process to ensure that the filming and production of drama series comply with the policy requirements on environmental protection</li> <li>Focus on ecological protection and waste management on filming site</li> </ul>
	Physical Risks	Extreme weather (rainstorms, typhoons, heavy snowfalls, floods, high temperatures, severe cold weather and others) would affect and threaten the Company's filming, shooting, warehouse management and other aspects	<ul style="list-style-type: none"> <li>Conduct pre-emptive prevention and weather monitoring, and pay close attention to weather changes in the locations where the business premises are located and where the contents are produced</li> <li>Actively formulate Business Continuity Plans (BCP) and establish efficient and orderly preventive measures and disaster relief operation mechanisms. In the event of severe weather changes, notify employees to work from home or evacuate in a timely manner, set up preventive facilities in advance or notify work stoppage</li> </ul>
			<ul style="list-style-type: none"> <li>Continuously strengthen our ability to respond to and mitigate climate change</li> <li>Assess the climate risk of potential filming locations and select filming areas with relatively stable climate conditions</li> </ul>
	Chronic	Persistent high temperatures, droughts, and rising sea levels leave traditional filming sites unfit for shooting, which will affect filming site selection	



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The Company is also actively seeking opportunities related to climate change, and realizing the concept of environmental protection through the implementation of measures such as green office and green commute, which effectively reduces carbon emissions from daily operations. At the same time, the Company incorporates environmental responsibility and green concepts into its drama productions, demanding more transparency and visibility of emissions by the crew. The Company relies on the frontline drama production team to create more innovative, low-carbon, green and sustainable film and television works and production processes. In the future, the Company will coordinate among different parties such as partners, outdoor scene base, and post-production companies to jointly participate in. The Company seizes opportunities for low-carbon development, and leads industry changes through green industrialization, joining hands with all parties to combat climate change.

In addition, in order to effectively reduce the GHG emissions generated during the Company's operations, the Company encourages employees to commute in public transport by setting up a work attendance checking system to incentivize employees in practicing green travel. During the shooting, the production director and assistant producers would make a unified travel plan according to the daily filming needs, preferring the use of clean energy vehicles. The Company keeps timely maintenance for company vehicles to ensure their normal operation and reduce fuel consumption and automobile exhaust. In addition, the Company uses low-carbon and green methods such as in-studio filming and computer special effects during drama series filming and production process, in a bid to replace part of the set decoration and the filming of explosion scenes. Special effect production technologies, such as virtual filming and panoramic scanning, are employed on the filming sites to reduce the pollution from scene settings and GHG emissions while ensuring the quality of filming.

### 8.4.3 Risk Management

The Company has established a comprehensive climate risk identification, analysis and assessment procedure. Based on the collection and consolidation of information related to the Company's risks and management, the Company identifies potential climate risks that may hinder the achievement of the goals of various departments, and assesses their impact on business development and finance, as well as the likelihood and extent of occurrence. For the significant risks identified, the Company formulates response strategies and risk solutions based on the evaluation of the effectiveness of the existing internal control system, and determines reasonable risk control objectives, which serve as the basis for conducting climate-related risk management work.



#### 8.4.4 Indicators and Objectives

The GHG emissions generated by the Company's business operations primarily stem from Scope 1 emissions due to direct combustion from the use of company-owned vehicles, and Scope 2 emissions indirectly generated from purchased electricity. Given the nature of the Company's operations, there are currently no activities that result in significant GHG emissions. However, the Company is well aware of the importance of addressing climate change for the Company's long-term development and the protection of the planet. Therefore, the Company has established the following objective and taken measures to promote its achievement:

##### Carbon emission

###### Objective:

Establishing a carbon emission management system to reduce GHG emissions

###### Key Actions in 2024

- Improving environmental management and carbon emission data collection process of the Company's operations and promoting the collection of data on emission reduction by employees and carbon emission by the filming crew
- Arousing employees' awareness to reduce carbon footprint and encouraging employees to adopt a low-carbon lifestyle
- Encouraging online meetings to reduce unnecessary travel and motivating the practice of low carbon travel
- Increasing the use of renewable energy and new energy in filming
- Introducing the system for flexible clock-in and working from home regularly

In 2024, the Company's GHG emissions are as follows:

**Table: GHG emissions in 2024**

Indicator		Unit	2024
Scope 1:	Direct GHG emissions <sup>1</sup>	tCO <sub>2</sub> e	17.26
	Intensity of direct GHG emissions	tCO <sub>2</sub> e/RMB million revenue	0.015
Scope 2:	Indirect GHG emissions <sup>2</sup>	tCO <sub>2</sub> e	17.41
	Intensity of indirect GHG emissions	tCO <sub>2</sub> e/RMB million revenue	0.015
Total GHG emissions		tCO <sub>2</sub> e	34.67
Intensity of total GHG emissions		tCO <sub>2</sub> e/RMB million revenue	0.031

<sup>1</sup> Direct (Scope 1) GHG emissions are calculated based on the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* (《IPCC 2006年國家溫室氣體清單指南2019修訂版》) issued by the Intergovernmental Panel on Climate Change (IPCC).

<sup>2</sup> Indirect (Scope 2) GHG emissions are calculated based on the *Announcement on the Release of the 2022 Electricity Carbon Dioxide Emission Factor* (《關於發佈2022年電力二氧化碳排放因子的公告》) issued by Ministry of Ecology and Environment of the People's Republic of China on December 26, 2024.



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## 9 B SOCIAL IMPACT

### 9.1 B1 Employment

The Company strictly abides by relevant laws and regulations such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》) and the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), and actively formulates internal management systems such as the *Staff Manual* (《員工手冊》), the *Remuneration Management Measures* (《薪酬管理辦法》) and the *Measures on the Management of Staff Performance Assessment* (《員工績效考核管理辦法》) to effectively protect and safeguard the legal rights and interests of employees. The Company's *Staff Manual* (《員工手冊》) complies with applicable labor laws and regulations, which is mainly used for governing the workflow for recruitment, induction and training, employee transfer, dismissal and promotion of employees. For new employees, the Company provides them with a digital version of the *Staff Manual* (《員工手冊》) to help them get familiar with the Company's operations, employment and labor practices. All onboarded employees are required to sign a confirmation acknowledging that they have fully understood the contents of the manual. In the event of alteration in local labor regulations and the policies on human resources management of the Company, the Company will update the manual and distribute the revised version to all employees in a timely manner.

During the Reporting Period, there was no event relating to employment discrimination, harassment, bullying, insults, child labor or forced labor, nor any significant non-compliance or violation of relevant laws and regulations in other employment issues such as compensation and dismissal, recruitment and promotion, working hours, rest break at work, equal opportunities, diversity and other fringe benefits.

#### 9.1.1 Human Resource Management

The Company is dedicated to formulate an employment plan based on its business development needs on an annual basis, retain talents through different recruitment channels such as internal referrals, social media and network recruitment and encourage professional talents who are interested in film, television and content production industries to attend recruitment interviews. For those who pass the interview, the Company will sign employment contracts or labor contracts with them in accordance with the laws to protect their legitimate rights and interests. The Company regards talent as a valuable corporate asset and is committed to providing employees with a caring workplace and fostering a corporate culture of mutual respect and mutual support for growth so that employees can realize their values in a harmonious and stable environment and grow with the Company.

As of December 31, 2024, the Company had a total of 77 full-time employees from different regions, of whom 62.3% were female.



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**Table: Employee Information of the Company in 2024**

Indicator		Unit	2024
Total number of employees		Person	77
Number of employees by gender	Male employees	Person	29
	Female employees	Person	48
Number of employees by age	Under 30	Person	14
	31-39	Person	31
	Over 40	Person	32
Number of employees by employees' rank	Executives	Person	2
	Senior management	Person	8
	Middle management	Person	23
	Junior employees	Person	44
Number of employees by type of employment	Full-time employees	Person	77
	Part-time employees	Person	0
Number of employees by region	Mainland China	Person	77
	Hong Kong, Macau and Taiwan	Person	0
	Overseas	Person	0

The Company is committed to attract and retain talents of different backgrounds. The Company's turnover rate of employee as of December 31, 2024 is set out below:

**Table: Information on Turnover of Employees of the Company in 2024**

Indicator		Unit	2024
Total turnover rate of employees <sup>1</sup>		%	17.14
Number of employees by gender <sup>2</sup>	Male employees	%	25.93
	Female employees	%	11.63
Number of employees by age <sup>2</sup>	Under 30	%	21.43
	31-39	%	18.52
	Over 40	%	13.79
Number of employees by region <sup>2</sup>	Mainland China	%	17.14
	Hong Kong, Macau and Taiwan	%	0
	Overseas	%	0

<sup>1</sup> Total turnover rate of employees = total number of resignations/total number of employees;

<sup>2</sup> Turnover rate of each category = number of resignations in such category/total number of employees in such category.



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## 9.1.2 Remuneration and Other Entitlements

The Company has established a fair, reasonable, motivational and competitive salary system, continuously optimizes the salary policy. The Company's remuneration package consists of salary, fringe benefits and year-end bonus. The Company will award certain amounts of discretionary year-end bonus to the employees annually based on its operations and their performance so as to encourage them to create value for the Company and share with them the fruit of the Company's development. In addition, the Company has in place equity incentive schemes to reward those employees who have made remarkable contributions to the growth and development of the Company, so as to further enhance the Company's cohesion, stimulate employees' creativity, safeguard employee benefits, and promote talent attraction and retention.

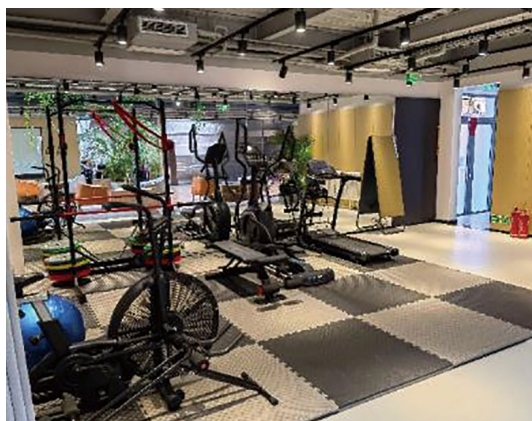
The Company also attaches great importance to employee benefits, actively promotes work-life balance, and continuously enhances employee happiness. It has established the *Welfare Regulation of Strawbear Entertainment Group* (《稻草熊娱乐集团福利制度》) so as to provide an abundant and wide range of fringe benefits to the employees:

- **Health benefits:** The Company purchases supplementary medical insurance (including major diseases insurance and accident insurance) for its employees and arranges annual health examination for them, in addition to making contribution to medical insurance, pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund in accordance with the laws; in addition, the Company provides paid sick leave to its employees for good rest and recovery.
- **Work arrangement benefits:** The Company provides a flexible work arrangement and a clock-in system to allow employees to apply for working from home once a month, so that the working hours can be better arranged to suit their personal needs, working habits and rest preferences; at the same time, the Company provides employees with a one-hour green travel attendance reward twice a month.
- **Life benefits:** The Company not only safeguards employees' fundamental rights such as "five social insurances and one housing fund", statutory holidays and vacations in accordance with the laws, but also offers other paid leaves to them, including house moving leave, marriage leave, maternity leave, paternity leave, parental leave, parent care leave for their only child, and bereavement leave; in the office area, the Company spares a staff-only pantry for its employees to enjoy snacks and have a short rest.
- **Birthday celebration:** The Company respects its employees' personal preference and provides them with personalized birthday and anniversary benefits, including but not limited to e-blessing cards, birthday cakes and gifts. In addition, the Company will arrange mini birthday parties for the birthday employees during lunch break, and give them cake coupons. They may redeem cakes or other snacks based on their personal preferences.
- **Holiday celebration:** The Company offers heart-warming gifts to the employees who have reached their anniversary of hire dates, including anniversary celebration emails, membership cards for streaming media platforms, business learning gift packs and other commemorative gifts; during festive celebrations, the Company also provides additional benefits, such as half a day off for female employees on International Women's Day and electronic shopping cards to all employees during the Mid-Autumn Festival.





- Cultural and sports activities:** The Company has designated a fitness area to advocate healthy work-life balance, and encourages its employees to regularly participate in various interesting cultural, sports, and tourism activities, and also organizes public welfare activities such as volunteer activities, to enrich the mental life of the employees and broaden their social horizon. In 2024, to celebrate the Company's 10th anniversary, employees were organized to participate in a "10th Anniversary" team-building event in Jeju Island, sharing the Company's growth and further rooting the corporate culture.



Photos: Pantry and fitness area in the office of the Company



Photos: Team-building "Red Tour" in Gaochun, Nanjing



Photos: Company's "10th Anniversary" team-building event in Jeju Island



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### 9.1.3 Anti-discrimination, Diversity and Equal Opportunity

The Company strongly recognizes the value of diversity and inclusiveness, implements equal and compliant employment policies, firmly opposes all forms of employment discrimination, child labor and forced labor, and treats employees of different genders, ethnic groups, regions, religious beliefs and cultural backgrounds in a fair and equitable manner. All permanent employees receive equal pay for equal work. Sexual harassment, bullying, insults, intimidation and any other act that damages the legitimate rights and interests of an employee in the workplace are strictly prohibited. Anyone who violates the above regulations will be severely punished. To systematically enhance the growth opportunities for female employees, the Company has established a professional development support system for women by regularly organizing mentorship programs and participating in industry-specific women's forums.

### 9.2 B2 Health and Safety

The Company values the health and safety of its employees, strictly abides by relevant laws and regulations such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and the *Work-Related Injury Insurance Regulations* (《工傷保險條例》), and has formulated measures and systems such as the *Administrative Measures for the Crew* (《劇組管理辦法》) and *Management System on Safety Production (Filming)* (《安全生產(攝製)管理制度》). During the production process, the production team and the heads of the art, makeup, costume, props and other teams involved in on-site filming have established a 24-hour contact method so as to identify potential safety risks in a timely manner and prevent the occurrence of accidents. In addition, the Company established a variety of health and safety protection measures for its employees. During the Reporting Period, the Company organized regular physical examinations for all employees in order to protect their physical and mental health. For three consecutive years (including the Reporting Period), the Company has not had any violations of relevant laws and regulations, nor work-related injuries or work-related fatalities involving its employees.

In order to safeguard the safety operation of the crew and ensure the filming quality and progress, the Company has set up specified regulations on the whole process from joining to leaving of the crew members, to ensure that the principle of "high-quality service, safety assurance, work efficiency and saving costs" is followed in every part, and require our partners to jointly participate in the supervision of safe production. The Company has adopted various measures to ensure the safe filming of the crew, including but not limited to:

- Raw materials, glues and paints necessary for set decoration and prop fabrication are all environmentally certified products; and the shooting site is located at a sufficient distance from the accommodation of members of the cast and the filming team and well ventilated to reduce the impact of harmful gases and noise pollution so as to protect the physical and mental health of the crew;
- Relevant personnel was delegated to monitor and manage the shooting site, ensure the personal and property safety during the shooting, and personal accident insurance and medical insurance for the crew were also purchased;
- A check-in system is implemented for the crew to check in for accommodation, and the *Regulations on Hotel Accommodation* (《賓館住宿規定》) was formulated to regulate their behaviors;
- To ensure the fire safety of the crew's accommodation site, all check-in staff members are not allowed to cook, use open flame, store or use high-power electrical appliances in their rooms. An authorized crew member will conduct ad hoc inspections. For anyone who ignores the warning and violates the above regulations, the authorized crew member has the power to confiscate the appliances and impose a penalty;



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- The management of the crew's vehicles and drivers was strengthened, and the *Regulations on Vehicle and Driver Management* 《車輛及駕駛員管理規定》 were formulated to standardize the process of using vehicles and clarify the obligations and responsibilities of the drivers to eliminate traffic safety risks;
- After a new member joins the crew, the leader of the crew will arrange an orientation to such new member to help him/her get familiar with the system so as to ensure that the crew members are aware of all safety regulations and management systems, and enhance the crew member's awareness of self-safety protection;
- All employees are prohibited to smoke in the non-smoking area and filming area, and the crew members have the obligation to remind visitors not to smoke in the non-smoking area. Any person who violates this rule will be imposed a fine;
- Operators in special positions should provide applicable work certificates and skill certificates before taking up their jobs to prevent operations on site without a qualification certificate;
- During the warehouse construction, the operators are required to check the circuits and electric tools first to ensure the safety of power supply and equipment before construction;
- During the operation and construction period, involved workers must get familiar with the standardized operation procedures of the electric tools. Careful use of electric tools is required to avoid personal injury;
- The operation room of the warehouse should be kept tidy, and stacking things randomly is prohibited so as to ensure safe production and reduce the damage of finished products for set decoration;
- Fire prevention equipment is checked regularly and necessary efforts are strictly made for fire precaution;
- At the end of the construction, the persons on duty must check the doors, windows and the power supply of the warehouse to completely eliminate the potential danger of fire and theft before leaving the operation room of the studio; and
- In the event of the occurrence of an accident, emergency rescue must immediately be arranged so as to minimize the accident loss and the heads of the crew must be reported at once. The heads of the crew shall report to the leaders of the investors and relevant local authorities immediately. After the accident is handled, the crew shall submit a written report on the accident to the Company. The Company will, according to the results of the investigation on the accident, hold the persons concerned liable, as appropriate, for the economic, administrative and legal consequences.

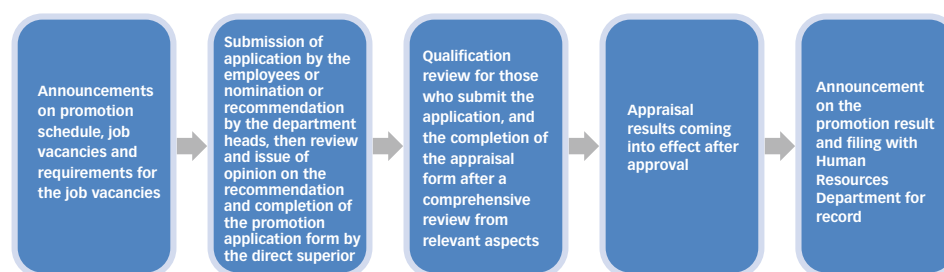




## 9.3 B3 Development and Training

### 9.3.1 Career Promotion

The Company regards career development of its employees as important part of its strategic planning. In order to help employees achieve better personal growth and career development, the Company has formulated a promotion management system and established a clear employee promotion path and development channel. According to the principle of “talents for suitable positions”, employees with outstanding performance and high caliber will be offered better salary and promotion to incentivize them to stay positive and motivated, and continuously improve their own ability and quality. The promotion channels as set provided in the Company’s system include self-recommendation, recommendation by the department heads and selection by the superiors.



Picture: Promotion process for employees

### 9.3.2 Employee Training

The Company keeps improving its *Staff Training System* 《員工培訓制度》, and provides induction trainings for newcomers and professional trainings for permanent staff, continuously strengthening the training efforts in enhancing its employees’ knowledge base and professional skill sets, comprehensively upgrading its employees’ professionalism and specialized skills so as to enhance the Company’s core competitiveness. The Company encourages and supports its employees to pursue lifelong learning and actively participate in professional trainings in the community and the industry. Additionally, it provides reimbursement for relevant fees to full-time employees who pass examinations or obtain certifications.

During the Reporting Period, the Company held a number of special trainings on various topics covering industry trends and sharing of creative ideas, which improved the professional knowledge of the employees in a multi-dimensional and all-round manner. In addition, the Company organized two ESG training sessions this year to raise employees’ awareness of ESG and strengthen the understanding of ESG compliance requirements among the Company’s directors and management. The Company also supported employees to participate in ESG rating-related seminars to deepen their understanding of the ESG system.



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In addition, the Company encourages its employees to participate in various external trainings to obtain relevant qualifications based on the business need and their personal growth plan, and provides financial support for its employees to obtain professional qualifications, so as to incentivize its employees to continuously improve their professional capabilities. During the Reporting Period, the Company organized employees to attend thematic training sessions conducted by the Research and Training Institute of NRTA, such as “TV Drama Topic Planning Training (電視劇選題規劃培訓)” and “Ultra-High-Definition Production Practices for TV Dramas (電視劇超高清生產製作實踐)”.



Photo: Training on Ultra-High-Definition Production Practices for TV Dramas



Picture: Display of company secretary training certificates

**Table: Information on Training on Employees of the Company in 2024**

Indicator		Unit	2024
Proportion of trained employees by rank <sup>1</sup>	Executives	%	100
	Senior management	%	100
	Middle management	%	100
	Junior employees	%	100
Proportion of trained employees by gender <sup>1</sup>	Male employees	%	100
	Female employees	%	100
Average training hours per person by employee's rank <sup>2</sup>	Executives	Hour	11.50
	Senior management	Hour	11.63
	Middle management	Hour	11.57
	Junior employees	Hour	11.82
Average training hours per person by employee's gender <sup>2</sup>	Male employees	Hour	11.38
	Female employees	Hour	11.69

<sup>1</sup> Proportion of trained employees by category = total number of trained employees in that category/total number of employees in that category.

<sup>2</sup> Average training hours per person by employee's category = total training hours of employees in that category/total number of employees in that category.



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### 9.4 B4 Labor Standards

The Company strictly complies with relevant laws and regulations, including the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the *Law of the People's Republic of China on the Protection of Minors* (《中華人民共和國未成年人保護法》), and *Employment Ordinance (Chapter 57 of the Laws of Hong Kong)*, and has adopted a series of internal control and compliance measures to prevent the employment of child labor and compulsory labor. During the recruitment process, the Company conducts background checks on candidates, verifies relevant documents such as candidates' identity cards and graduation certificates, so as to check their actual age and identity information, which will prevent the employment of child labor. At the same time, the Company undertakes that the labor willingness of employees will be respected, and work will be reasonably allocated, firmly resisting any form of forced labor.

During the Reporting Period, the Company neither violated the prohibition on employing child labor or forced labor nor breached any relevant laws or regulations.

### 9.5 B5 Supply Chain Management

The Company attaches great importance to supply chain management and relationship maintenance with its suppliers, and is committed to building a fair, uncorrupted, honest and mutually beneficial and sustainable relationship. The Company developed measures and systems such as the *Management Measures for Suppliers and Procurement* (《供應商與採購管理辦法》) and the *Management Measures for Business Outsourcing* (《業務外包管理辦法》) to clearly set out the workflow and the code of conduct in procurement and business outsourcing in order to prevent the operational risks (such as environmental and social risks) in the supply chain.

With its established evaluation system, the Company maintains a stable and reliable supplier pool to provide reliable services and supplies for the enterprise's high-quality operation. The Company has compiled the *Qualified Supplier List* (《合格供應商名錄》) as the key basis for the selection and use of suppliers in its procurement and carries out regular evaluations to optimize the supplier resources. The main purpose of supply chain management is to form a mechanism to decide on choosing suppliers based on their performance on top of the survey on suppliers' resources to facilitate the continuous improvement of the supplier pool. The examination on new suppliers' overall capabilities involves, among others, basic industrial and commercial qualifications of new suppliers, their business scope, satisfaction level of their major clients, their after-sales service and price level. Only those who pass the examination will be included in the Qualified Supplier List. For the evaluation of existing suppliers, the Company focuses on examining their performance in past cooperation, including basic information on such existing suppliers, the cooperation term with the Company, our satisfaction level on their products, their after-sales service and price level. Suppliers assessed as unqualified will be suspended in cooperation. In addition, the Company established an accountable system for the procurement and payment functions, which clarified the responsibilities and authorities of relevant departments and positions, and ensured the separation, restriction and supervision of the positions involved in the procurement and payment functions. The Company adopts a collective decision-making and approval procedure so that no procurement of important and more technology-focused items will be made before obtaining experts' endorsement so as to avoid losses caused by immature decision.

The Company also pays attention to the performance of suppliers in ESG aspects. Environmental and social risks are controlled by the *Policy on Sustainable Supply Chain* (《可持續供應鏈政策》) which covers the whole process from supplier acceptance and evaluation, contracting and approval, management and integrity, behavior and communication, tracking and feedback, so as to establish an accountable and sustainable supply chain. During the Reporting Period, the suppliers were engaged in line with the Company's supply chain management practices.





## 9.5.1 Supplier Selection and Evaluation

### Supplier referral:

- Suppliers will be referred from various sources, and an evaluation on the supplier qualifications will be performed

### Due diligence on the supplier:

- Suppliers are assessed and selected by a comprehensive investigation process on which scores are given to the qualitative and quantitative assessments for acceptance. Among them, suppliers with fundamental problems, such as participating in unfair competition, industry monopoly or corruption, will not be accepted
- Focus will be put on evaluating the performance of the suppliers in ESG aspects, especially in protecting environment and employee rights, workplace environment and management structure. Relevant policies on corporate management and corporate governance competence will be examined. Priority will be given to the suppliers with better environmental performance

## 9.5.2 Suppliers Acceptance and Execution of Contracts

### Evaluation of suppliers:

- Fairness and competition will be respected during the process of selection

### Signing contracts:

- Suppliers who are accepted to provide services are required to sign the code of conduct, which should, as appropriate, include a statement on the protection of employee rights and interests, and clauses on anti-commercial bribery, anti-corruption and ethics. For example, in cooperation with the cast and core creative teams, those teams are required not to commit illegal or unethical acts in violation of national laws and relevant regulations of the NRTA. During the cooperation period of the project, the Company signs the *Integrity Responsibility Letters* 《廉潔責任書》 with the suppliers to ensure that they fulfill their obligations of integrity and law-abiding

## 9.5.3 Management on and Communication with Suppliers

### Management on suppliers:

- A clear award and penalty system was formulated to incentivize outstanding suppliers and blacklist those suppliers under risk warnings or having violation of regulations so as to strengthen supplier risk management
- Suppliers' fulfillment on their obligations under contracts is tracked to improve the reliability of the evaluation system

### Communication with suppliers:

- The integrity standards and code of conduct for business personnel were clearly clarified to avoid issues such as non-compliant transactions
- Detailed records on interactions and communications with customers and suppliers are maintained
- Non-regular training sessions are provided to our business partners to improve their capabilities, which covers policy planning, production process, safety production, protection of rights and interests so as to jointly improve the level of cooperation



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## 9.5.4 Supplier Tracking and Feedback

Annual performance assessments are carried out for our cooperative suppliers on the basis of the *Qualified Supplier Evaluation Checklist* (《合格供應商評審表》), and the ranking of the suppliers are determined as an important basis for the selection of procurement suppliers in the coming year.

**Table: Suppliers of the Company in 2024**

Indicator		Unit	2024
Number of suppliers by region <sup>1</sup>	Total	Entity	190
	East China	Entity	91
	South China	Entity	6
	Central China	Entity	2
	North China	Entity	73
	Northwest China	Entity	6
	Southwest China	Entity	9
	Northeast China	Entity	2
	Hong Kong, Macao and Taiwan	Entity	0
	Overseas regions	Entity	0

<sup>1</sup> “Number of suppliers” refers to the total number of suppliers contracted during the Reporting Period, and “by region” refers to the place of incorporation of the suppliers.

## 9.6 B6 Product Responsibility

The Company continuously enhances its service capabilities of the “comprehensive middle platform”. It swiftly integrates high-quality industry resources and conducts in-depth exploration to leverage the scale and efficiency advantages of industrial production. This approach effectively shortens the cycle from incubation to production and then to distribution of series, maintaining a virtuous cycle in both content capacity and quality.

As entertainment products broadcast to the public, film and television works assume no product responsibility in respect of issues related to the health and safety of general public, nor any responsibility for product recall applicable to general products. Based on the Company’s understanding, its product responsibility in relation to film and television works is mainly to continuously improve the audience’s perception through content formats diversification and innovation, use the advantages of content communication to share stories with positive messages and the concept of sustainable development; ensure content output efficiency and product quality through innovative technologies such as creation and production assisted by AI technologies and digital transformation, and reduce the negative impact on the environment brought by film shooting.

During the Reporting Period, the Company did not violate any laws and regulations regarding the health and safety of products and services provided, advertising, labeling, privacy matters, and remedies.



### 9.6.1 High-Quality Film and Television Contents

#### 9.6.1.1 Diversified content formats

The Company keeps accumulating and optimizing its IP structure so as to create a content landscape with diversified segments. Its diversified genres cover, among others, teen drama, sweet idol drama, office drama, metropolitan emotion drama, family ethics drama, comedy, historical drama, period legend. The Company integrates high-quality industrial resources with its platform-based operating mode, constantly coordinates and balances the output of its drama series and the quality of content of such drama series, continuously dedicates itself to the quality of its dramas series, and persistently upholds integrity and innovation in order to create more high-quality drama series.

In 2024, the Company continued to deepen its innovative exploration in traditional genres, aligning with market trends and platform demands to develop and produce a variety of hybrid genre dramas. During the Reporting Period, the Company successively launched four outstanding series, including *The Swimsuit Saga* (《乘風踏浪》), an entrepreneurial inspirational comedy, *In the Name of the Brother* (《哈爾濱一九四四》), a spy war-themed mystery period drama series, *Lost Identity* (《孤戰迷城》), a modern spy war drama series, and *Love's Rebellion* (《四海重明》), a costume romance fairy fantasy drama series. All of these series have achieved good broadcast effect and market feedback.

The *Swimsuit Saga* (《乘風踏浪》) tells a story about people who make swimsuits in Xingcheng riding on the wind of reform to successfully start a business. The comedy was premiered across dual platforms including iQiyi and Mango TV, and simultaneously broadcast on Beijing Radio & Television Station and Dragon TV via satellite on March 29, 2024. It ranked first in the average daily ratings among satellite TV channels during the same time slot on Kuyun, and repeatedly topped the Hot Search list on iQiyi's platform. According to the Liaoning Daily (遼寧日報), with success of the drama series, Huludao, the filming location, was one of the top three tourist attractions in northeast China during the "Labor Day" holiday. Huludao saw a nearly 300% year-on-year surge in both tourist numbers and revenue, effectively driving the development of its cultural and tourism industry.



Picture: the poster of *The Swimsuit Saga*  
(《乘風踏浪》)



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Set against the historical backdrop of Harbin in 1944, *In the Name of the Brother* (《哈爾濱一九四四》) tells a story about a group of idealistic ordinary people struggling to survive amidst the turmoil of war and seeking a glimmer of hope in those turbulent times. The drama series was broadcast on April 21, 2024, which was the first commercial drama co-broadcast on iQiyi and three major satellite TV channels, including Dragon TV, Jiangsu TV and Beijing Radio & Television Station in recent years. The drama series even broke a number of records during the period of broadcasting, with its hits peaking at 9,350 on iQiyi, a new hits record on the first day of broadcasting on iQiyi in 2024. It also topped multiple the Hot Search list: TOP1 of iQiyi Hits (愛奇藝熱播榜), TOP1 of Kuyun's Full-Platform Market Share Ranking (酷雲全端播放市佔), TOP1 in real-time popular TV drama on Douban (豆瓣實時熱門電視), TOP1 of the Douyin drama series list (抖音劇集榜).



Picture: the poster of *In the Name of the Brother*  
(《哈爾濱一九四四》)



Set against the backdrop of the final stages of the War of Resistance, *Lost Identity* (《孤戰迷城》) tells a story about an amnesiac special agent who removes all obstacles to track down the secrets behind the Japanese army's biochemical research institute, ultimately thwarting the enemy's plans. The drama series premiered online on iQiyi and Tencent Video on June 29, 2024, quickly soaring to the top of the Soaring List. Additionally, it was broadcast on Beijing Radio & Television Station and Dragon TV on July 14, 2024, significantly boosting prime-time ratings for both channels and cementing its status as a summer blockbuster.

Picture: the poster of *Lost Identity*  
(《孤戰迷城》)



*Love's Rebellion* (《四海重明》) tells a story about a young girl, deeply devoted to the art of medicine, who embarks on a celestial journey to save her mother. Through a twist of fate, she becomes entwined with a mysterious man by the "Lock of Shared Hearts", evolving from mutual disdain to a partnership that unravels a celestial conspiracy. The drama series was broadcast on Mango TV on July 31, 2024, and was broadcast on iQiyi on August 1, 2024. It ranked TOP1 in hit topic TV series (話題熱搜榜) on Mango TV, TOP1 in romance TV drama (電視劇愛情榜) on iQiyi, TOP1 in most influential drama series on Weibo (微博劇集影響力榜), TOP1 of DataWin TV drama popularity index (德塔文電視劇景氣指數), and TOP1 in Maoyan's weekly web drama effective viewership rankings (貓眼網絡劇有效播放週榜).



Picture: the poster of *Love's Rebellion* (《四海重明》)

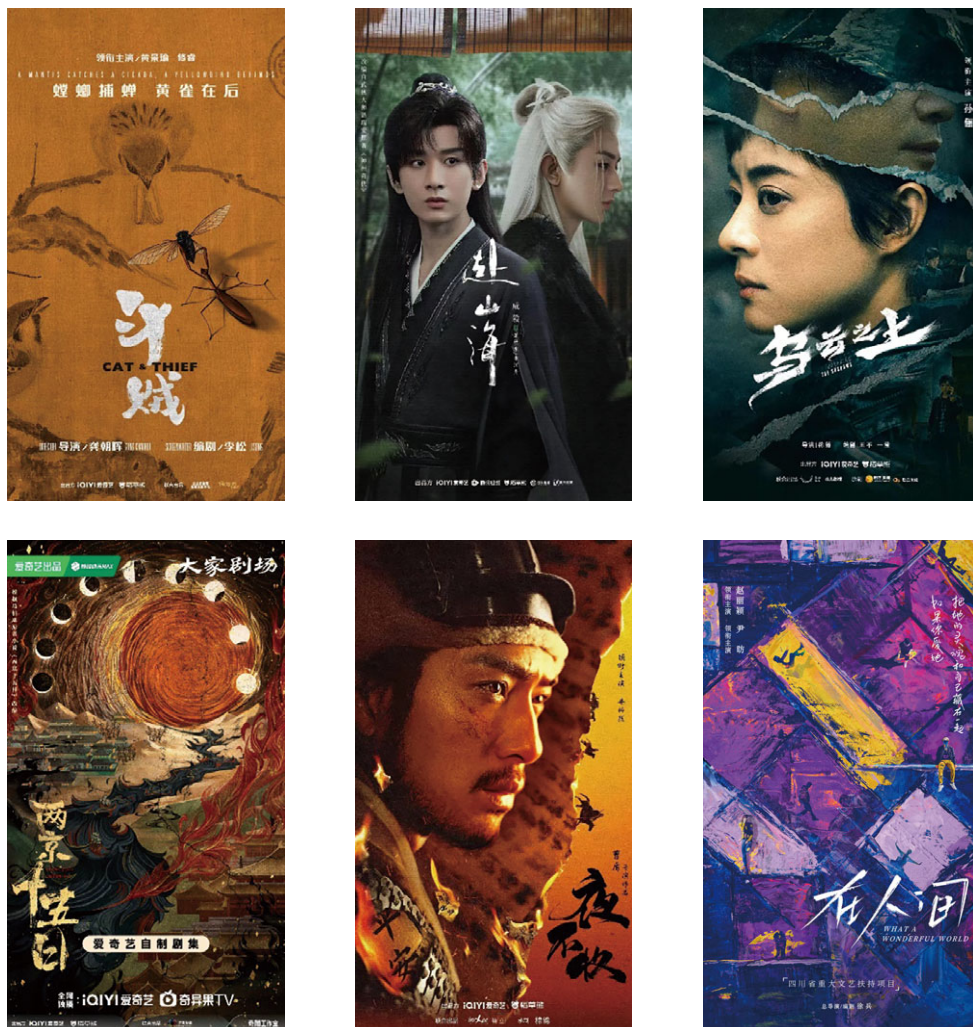
Meanwhile, in response to evolving audience viewing habits and emerging demands, the Company swiftly adapted its strategy for drama series and innovated "boutique and premium (小而美精品化)" for drama series such as *Breaking the Shadows* (《烏雲之上》), *Win or Die* (《夜不收》), *Drifting Away* (《漂白》) and *What a Wonderful World* (《在人間》), etc., all of which have both high-quality of full-length dramas and fast pace of short dramas in terms of content narrative and audio-visual effect.

The Company also places significant emphasis on the diversification of its IP portfolio and actively reserves high-quality IP assets by enhancing the evaluation dimensions and market acumen of its content assessment team. As of December 31, 2024, the Company had over ten quality drama series to be broadcast and a number of drama series of various genres under preparation, including *Cat & Thief* (《鬥賊》), a crime comedy, *Move Heaven and Earth* (《赴山海》), a costume martial art, *Breaking the Shadows* (《烏雲之上》), a criminal detective drama series, *Two Capitals* (《兩京十五日》), a historical legend drama, *Win or Die* (《夜不收》), an ancient military drama series, and *No One but You* (《也許這就是愛情》), a metropolitan drama series, etc., which covered a wide range of genres and themes that the audiences would enjoy.



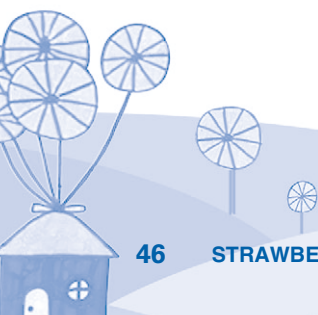


## 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Pictures: the posters of certain drama series to be broadcast

In order to actively promote the concept of sustainable development, the Company took full advantage of content communication and multiple channels, actively created and developed ESG-related films and TV drama series, and took a pioneering step within the industry to launch a dedicated "green film list" specifically focused on ESG themes. The Company has practiced ESG concept throughout all stages of the "green film list", from project screening, screenplay incubation, shooting and production, post-editing to promotion and marketing. In the process of content selection, the Company's producers communicated with our partners about the ESG genre and story preferences, and encouraged the creation and development of relevant story plot. In the process of shooting and production, ESG-related topics were integrated into the story in a reasonable manner based on the screenplay, while the local customs of the shooting location were also shown with movie language, and the ideas of environmental friendliness and sustainable green production were put into practice. In the process of promotion and marketing, leveraging on its competitive edges on content communication and multiple channels, the Company promoted the concept of sustainable development, and advocated ESG values, such as harmony between human beings and nature, social welfare, biodiversity protection and intangible cultural heritage, to the general public. During the Reporting Period, the Company has three "green film list" series in its portfolio, of which *The Swimsuit Saga* (《乘风破浪》) has already been broadcasted, while *A Nan* (《阿南》) and *Sheng Ming Yuan* (《生命缘》) are currently in the stages of preparation and production.







Picture: the poster of  
*The Swimsuit Saga* (《乘風踏浪》)



Picture: the poster of  
*A Nan* (《阿南》)



Picture: the poster of  
*Sheng Ming Yuan* (《生命緣》)

During the Reporting Period, the quality of the drama series broadcast by the Company was highly recognized by the audience and the industry, as demonstrated by numerous accolades we were awarded from the TV drama industry. Among them, *In the Name of the Brother* (《哈爾濱一九四四》) was rated as the "Most Expected Drama Series of 2024" of the Golden Pufferfish (金河豚「2024年度期待劇集」) at the CEIS 2024 China Entertainment Industry Annual Conference. It was also awarded the 2024 "Inclusion China" Influential TV Series of the Year (2024「融合中國」年度影響力電視劇) in the 2024 All-Media Information Industry Innovation Conference and "Inclusion China" Promotion Ceremony for Outstanding Radio, Film and Television Projects and shortlisted into "Best Series" competition in 2024 Seoul International Drama Awards; *The White Castle* (《白色城堡》) was honored with the "The Most Beloved TV Drama Series of 2023 on News Comprehensive Channel" at the 2024 TV Drama Quality Awards.

## 9.6.1.2 Exploring content globalization

The Company is actively exploring opportunities for global expansion, aiming to introduce high-quality domestically produced series to international markets to cater to the demands of audiences across different countries and regions. During the Reporting Period, *Love's Rebellion* (《四海重明》) successfully ventured overseas through the iQiyi International platform, securing the top spot on the popular lists in 13 overseas countries and regions, including Southeast Asia, Japan, South Korea, North America, and Australia. This achievement fully reflects the series' popularity among international audiences, marking it as another successful overseas venture for the Company following *Unchained Love* (《浮圖緣》).

## 9.6.1.3 Application of innovative technology

During the Reporting Period, the Company actively adopted cutting-edge digital means to realize the efficient delivery of its film and television products. For example, the Company adopted a new generation of film and television production management system of well-known domestic streaming media platforms, which efficiently linked the processes of pre-production, mid-term shooting and post-production of the projects, and gradually integrated the whole cycle of film and television projects into a standardized and systematic operation system, significantly shortening the shooting cycle and reducing the use of paper and other resources by the production crew in filming.



The Company explores innovative technologies like AI-assisted creation, virtual filming, and more in film and TV production. These technologies help with scriptwriting, creating virtual sets, producing special effects, composing music, generating subtitles, and developing promotional materials, thereby improving production efficiency and cost control. For example, for the TV series *Hello Beautiful Life* (《心想事成》) broadcast, some of the filming scenes were virtually produced by LED screens. This filming technology moved the production of special effect, which is usually produced in the post-production stage, to an earlier production stage, which not only effectively improved the visual effect of the finished TV drama series, but also brought a positive effect on process efficiency and cost control.

In November 2024, the Company established strategic cooperation with Baidong Culture Technology (Beijing) Co., Ltd. (白洞文化科技(北京)有限公司), and held a signing ceremony. Based on their respective industry advantages, IP reserves, and technological development capabilities, the parties will jointly attempt to innovate in the application of AI in film and television development, and make more explorations in the film and television generation process using AI technologies, so as to expand the categories of film and television products and other IP derivative commercial chains, and forge new productivity in the film and television industry and the creativity of a diversified product structure.

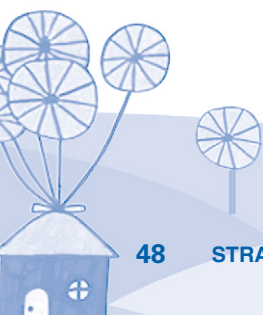
## 9.6.2 Developing innovative products

The Abundant and diversified IP reserves will enable the Company to have ample contents for its subsequent production of high-quality drama series, and to further promote the Company's content landscape with diversified segments. The Company continues to focus on development opportunities for derivative products based on high-quality IP, to seek opportunities for its strategic layout related to new culture, sports, tourism and new consumption in an optimistic but cautious manner, including offline live interactive projects, stage plays, etc. During the Reporting Period, the Company ventured into establishing the "Universe of the Oddballs" script-based role play game stores, which cover a range of story scripts encompassing suspense and deduction genres, thereby providing a trendy leisure and entertainment experience.



Photos: "Universe of the Oddballs" script-based role play game store

In the future, the Company will further explore the value of IP derivative transformations, laying the foundation for the serialized and branded operation of high-quality IP.



### 9.6.3 Intellectual Property Protection

The Company strictly abides by the provisions of the laws and regulations such as the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) and the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), and has formulated the *Intellectual Property Management Measures* (《知識產權管理辦法》) and the *Provisions on the Management of Intangible Assets* (《無形資產管理規定》), setting out strict provisions on patent rights, intellectual property (including, among others, technical secrets, trademark rights, copyrights, and commercial secrets, as well as such patents, trademarks, works and computer software introduced by the Company) and the rights conferred by the *Anti-unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), including, among others, exclusive right to trade names, domain names and the network addresses. Meanwhile, to ensure the orderly implementation of intellectual property management, the Company has also established a series of systems and measures such as the *Assessment System for Intellectual Property* (《知識產權評估制度》), the *Novelty Search and Retrieval System for Intellectual Property* (《知識產權查新及檢索制度》), the *Filing System for Intellectual Property* (《知識產權工作備案制度》), the *Centralized Management System for Intellectual Property Archives* (《知識產權檔案集中管理制度》), the *Determination System for Achievements Allocation* (《成果歸屬判定制度》), the *Confidentiality System for Intellectual Property* (《知識產權保密制度》), the *Commitment System for Intellectual Property Protection* (《知識產權保護承諾制度》), the *Contract System for Intellectual Property* (《知識產權合同制度》), the *Protection System for Intellectual Property* (《知識產權保護制度》) and the *Publicity System for Intellectual Property* (《知識產權宣傳制度》), constantly strengthening the Company's efforts in protecting the intellectual property and enhancing employees' sensitivity and sense of responsibility for intellectual property protection through organizing regular training sessions on legal knowledge and case study within the Company. During the Reporting Period, the Company had no material disputes or cases involving infringement and content plagiarism, and other issues involving intellectual property rights.

As of December 31, 2024, the Company had 82 copyrights, including rights of adaptation into movies or TV dramas and other rights of screenplays and novels, and 44 trademarks.

Indicator		Unit	2024
Total copyrights		Items	82
Copyrights by type	Original scripts	Items	27
	Adapted scripts	Items	55
Trademarks		Items	44



## 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 9.6.4 Responsible Promotion

In the process of producing, publishing and promoting the drama series, the Company strictly abides by the laws and regulations such as the *Administrative Regulations on Radio and Television* (《廣播電視管理條例》), the *Administrative Provisions on the Production and Distribution of Radio and Television Programmes* (《廣播電視節目製作經營管理規定》), the *Administrative Regulations on Content of Television Series* (《電視劇內容管理規定》), the *Administrative Measures for the Filing and Disclosure of the Production of Television Series* (《電視劇拍攝製作備案公示管理辦法》), the *Notice of Further Strengthening the Administration on Radio or Television Programmes and Online Audiovisual Entertainment Programmes* (《關於進一步加強廣播電視和網絡視聽文藝節目管理的通知》), the *Notice of Further Strengthening the Administration of Online Dramas, Microfilms, and Other Such Online Audiovisual Programmes* (《關於進一步加強網絡劇、微電影等網絡視聽節目管理的通知》), the *Notice of Upgrading the Information Filing System of the Online Audiovisual Programmes* (《關於網絡視聽節目信息備案系統升級的通知》) and the *Supplementary Notice on Further Improving the Administration of Online Dramas, Microfilms, and Other Such Online Audiovisual Programmes* (《關於進一步完善網絡劇、微電影等網絡視聽節目管理的補充通知》) to ensure that the content and the quality of the drama series meet relevant national policy requirements. In order to regulate the use of advertising and promotional slogans, the Company and its partners have jointly formulated a standard system for company logos and fonts, and prohibits the use of, among others, non-copyrighted fonts and pictures internally or by its partners.

In 2024, the Company advertised and promoted several drama series including *The Swimsuit Saga* (《乘風踏浪》), *In the Name of the Brother* (《哈爾濱一九四四》), *Lost Identity* (《孤戰迷城》), *Love's Rebellion* (《四海重明》), *Drifting Away* (《漂白》), *The Trident 2* (《三叉戟2》), *Breaking the Shadows* (《烏雲之上》) and *Move Heaven and Earth* (《赴山海》) in compliance manners, and strictly reviewed the promotional materials to prevent unlawful marketing. During the Reporting Period, the Company was not subject to any penalty such as removal from the to-watch list, suspension of broadcasting or fines caused by the non-compliance of the quality or content of the drama series with the national requirements.

### 9.6.5 Information Security and Customer Privacy Protection

The Company strictly protects customer information and data security, seriously implements relevant requirements under the *Network Security Law of the People's Republic of China* (《中華人民共和國網絡安全法》), the *Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》) and any other relevant laws and regulations, established and has been improving its information management system, and takes various measures to better protect customer information. During the Reporting Period, the Company did not have any incidents regarding leakage of customer privacy and data information.

#### Data backup and management

- A *Data Backup and Disaster Recovery Management System* (《數據備份與災難恢復管理制度》) was formulated to standardize the establishment of the Company's important data backup list, the backup responsibility, backup inspection and the recovery after system damage, and to reasonably prevent risks in the use of computers and information system;
- All kinds of backup data shall be checked regularly at least once a year with the inspection records, and the expired data shall be updated or destroyed in time;





- It was stipulated that the department which uses such data should be contacted promptly in order to jointly carry out remedial measures and methods for damaged backup data. The backup data with expired storage period was required to be destroyed in time after being approved by the responsible officer;
- The hardware and software disaster recovery plan was developed;
- Regular investigation and evaluation shall be made at least once a year on the risks and hidden risks associated with the Company's information system; and
- An industry-leading network storage was used by the Company for resource sharing and data storage to ensure its data security.

#### Management for information system operation and maintenance

- The Company established a *Management System for Information System* (《信息系統管理制度》) to standardize the Company's management and maintenance of information system and ensure the safe operation of hardware and software in the system. Strict requirements and standards are set for, among others, the management of the server room, hardware, information system application and changes in information system, as well as application and control of the information system.

#### Account authority management

- The Company developed an *Account Authorization Management System* (《賬號權限管理制度》) to ensure that only authorized users can access to the system and the server. It standardized the management of the business systems and infrastructure accounts and prevented any unauthorized access;
- Account management measures covering account setup, change of account authorization, denial of user access and cancellation of access authorization were set and strictly implemented.

#### Server room management

- The Company established a *Server Room Management System* (《機房管理制度》) to ensure the Company's information security. We have standardized the server room management to prevent the occurrence of fire and any kinds of accidents. The Company also implemented strict management for the cabinets and the operators working in the server room and set various operation procedures to prevent misuse and ensure the continuity of its information system operation.



## 9.6.6 Promotion of Information Exchange and Development of the Industry

Adhering to the principles of mutual respect and honest cooperation, the Company actively participates in the industry communication and cooperation, works with partners to promote industry progress and jointly promotes the high-quality development of the culture and tourism industry under the new situation. In May 2024, the Company participated in the Micro-drama Overseas Expansion and International Communication Forum at the “Going Global” Digital Industry Summit of the 2nd ART Hong Kong EXPO (“ART Hong Kong EXPO”). Mr. Shen Shaofeng (申少峰), the Company’s Vice President, was invited to participate in round-table dialogue, and engaged in exchanges with participating guests. He shared insights on micro-drama overseas expansion and integration into local cultures, and discussed the future development paths of international communication. In January 2025, the Company participated in the CEIS 2025 China Entertainment Industry Annual Conference (CEIS 2025中國娛樂產業年會). Ms. Zhai Fang, the Company’s executive director and chief operating officer, was invited to attend and shared the Company’s the analysis, layout strategies, and prospects of content overseas trends.

In addition, the Company actively participated in the development of high-level communication platforms related to economy, society, environment and the industry in which it operates. Since becoming the Platinum Member of the Boao Forum for Asia in 2021, the Company has been committed to deeply participating in global or regional business development exchanges as an industry co-builder. During the Reporting Period, Ms. Zhai Fang, the executive director and chief operating officer of the Company, was invited to attend the Private Entrepreneurs Roundtable at the Boao Forum for Asia Annual Conference 2024. She shared how the Company improves production efficiency, integrates high-quality resources, and optimizes the creative ecosystem through platform operation model.



Photo: On-site photo from ART Hong Kong EXPO



Photo: On-site photo from CEIS 2025



Photo: On-site photo from Boao Forum for Asia Annual Conference





In terms of industry cooperation, the Company adheres to the concept of win-win cooperation, and actively plays the role of its own operation platform, and conducts in-depth collaboration with various parties to jointly promote the prosperous development of the film and drama series entertainment industry. In September 2024, the Company signed a cooperation agreement with Beijing Zhending Technology Co., Ltd. (北京臻鼎科技有限公司) (the operating entity of the “Tomato Novel” APP). The cooperation focuses on the authorization of film and drama series adaptation rights and derivative development rights of novel IPs, and the two parties jointly explore diversified development paths for IP content. At the same time, as one of the special judges of the 4th Network Literature Competition of “Tomato Novel” and the Rural Cultural and Tourism Creation Support Program for Network Literature, the Company jointly selects the “IP Value Award” with the most film and drama series adaptation value, creating more IP adaptation opportunities for works. In November, the Company established strategic cooperation with Baidong Culture Technology (Beijing) Co., Ltd. (白洞文化科技(北京)有限公司), and held a signing ceremony. The cooperation covers aspects such as the application of AI production in film and drama series, the commercial development of pan-entertainment based on IP expansion, and the development of offline new cultural and tourism projects, so as to promote the comprehensive empowerment from film and drama series production, entertainment, to immersive experiences in the future.



Photo: Signing ceremony site of strategic cooperation



## 9.7 B7 Anti-corruption

The Company strictly abides by the *Anti-unfair Competition Law of the People's Republic of China* (《中華人民共和國反不當競爭法》), the *Interim Provisions on Prohibition of Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》), the *Company Law of the People's Republic of China* (《中華人民共和國公司法》) and other laws and regulations, and has developed and prepared internal policies and systems such as the *Staff Manual* (《員工手冊》), the *Management System for Antifraud, Anti-money Laundering and Anti-bribery* (《反舞弊、反洗錢、反賄賂管理制度》), *Reporting System for Interest Conflict* (《利益衝突申報制度》), *Misconduct Reporting Mechanism and Handling Measures* (《不當行為舉報機制與處理辦法》) in accordance with relevant laws and regulations to create a corporate culture of honesty, clean, uprightness and integrity, which strengthens the regulation of employees' behavior. During the Reporting Period, the Company neither involved in any litigations relating to bribery, corruption, extortion, fraud and money laundering nor violated relevant laws and regulations.

By provision of trainings on laws, regulations and professional ethics and in order to eliminate the occurrence of corruption, fraud and other immoral behavior, the Company has established a complaint and report mechanism and set up a special complaint and report channel to keep improving its risk management capabilities. During the Reporting Period, the Company engaged an independent third party professional institution to conduct an anti-corruption training course themed "Commercial Ethics and Director Integrity Building" for all employees, continuously strengthening compliance building.



Photo: the Company's anti-corruption training in 2024



## 9.7.1 Antifraud

The Company keeps improving its *Antifraud Management System* (《反舞弊管理制度》), established and has improved its antifraud system and process. The Audit Committee under the Board of Directors of the Company is the leading unit of the Company's antifraud efforts, and the Company's internal audit department is the Company's standing organization for its antifraud efforts, responsible for the implementation of the antifraud work of the Company.

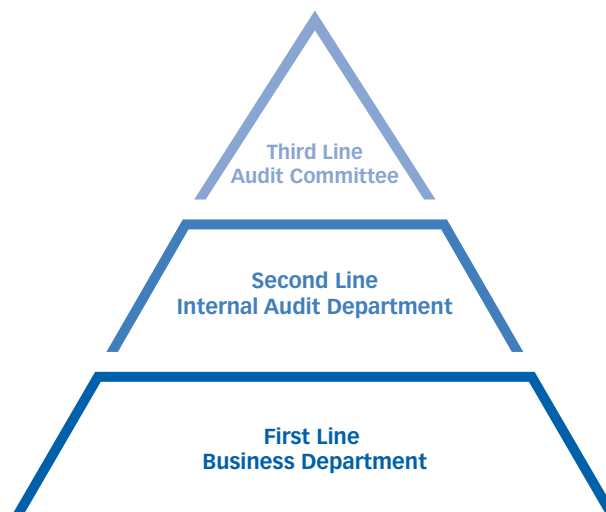


Picture: the Company's antifraud investigation process

The Company takes relevant measures to protect the legitimate rights and interests of the whistleblowers, protects the whistleblower's name, department he/she works for, his/her address, the report letter and other relevant information from being disclosed, and requires those who have or whose close relatives have an interest in the fraud case shall evade.

## 9.7.2 Anti-money Laundering

Pursuant to the *Anti-money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) and other laws and regulations, the Company formulated its *Anti-money Laundering Management System* (《反洗錢管理制度》) and established the "Three lines of defense (3LoD)" (三道防線) anti-money laundering management structure, and encouraged all employees to take part and join hand in preventing money laundering and terrorist financing risks faced by the Company in the daily business process, and enhance the Company's ability to prevent money laundering risks.

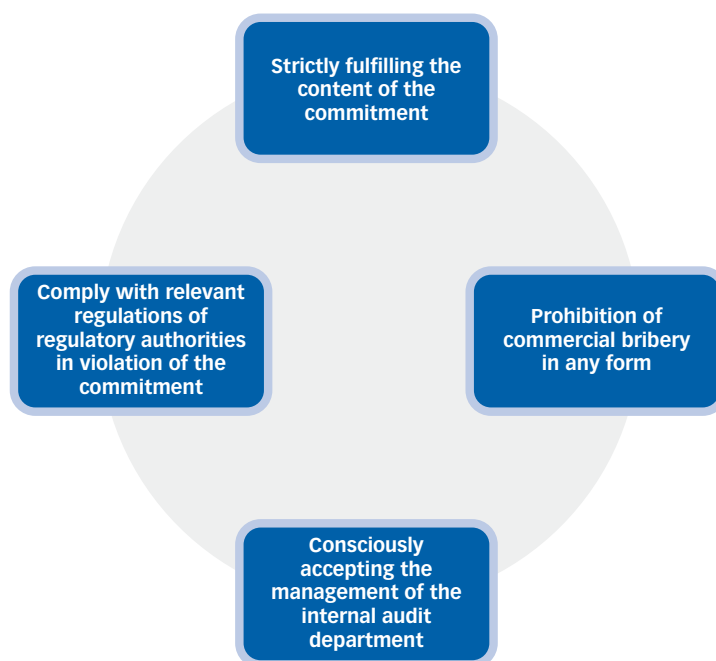


Picture: the Company's three lines of defense against money laundering



## 9.7.3 Anti-bribery

The Company formulated the *Anti-bribery Management System* (《反賄賂管理制度》) to regulate the behavior of employees involved in money-related activities such as content procurement, business sales, equipment procurement and maintenance, and personnel, financial and material management processes. The commercial bribery prevention commitment system was put in place for personnel in key processes and key positions. Those in important positions shall sign the *Commitment to Prevent Commercial Bribery* (《預防商業賄賂承諾書》) with the Company.



Picture: Code of conduct and accountability

## 9.8 B8 Community Investment

### 9.8.1 Public Welfare and Charity

The Company adheres to its original intention of giving back to the society and strives to seek ways for the coordinated development of commercial and social value. Therefore, it formulated the *Guidelines on Community Influence* (《社區影響力指引》), under which the Company actively participates in social welfare activities, fulfills its corporate social responsibility, takes part in community volunteer services, and encourages its employees to give back to the society through participation in volunteer activities, conveying their love to the society.

By leveraging on the advantage of the industry and of its own, the Company, as an active participant in social welfare activities, is committed to giving back to the society by organizing various welfare and charity activities. It assumes social responsibility, serves the community by advocating social welfare and provides care to unprivileged people in order to jointly create a caring social environment. In this regard, in 2022, the Company initiated the “Sunflower Care Project (關愛向日葵計劃)”, by which it established a long-term relationship with a rehabilitation center for special children in Beijing to show our care for the special children’s daily life, their diets, physical health, and mental health.



During the Reporting Period, the Company encouraged its employees to actively participate in volunteer activities, providing material support and companionship for children. In addition, the Company, by using its influence on the entertainment and media industry, organized celebrities in the performance arts sector to visit rehabilitation centers to show their love to the special children. In order to encourage the creativity of the special children and gain more social attention and resource support for them, the Company introduced, in various ways, the pictures drawn by them to a wider group of people who genuinely care for the children's growth and to bring in more social attention to these children. The Company also purchased some of their paintings, which were used as the covers of its interim and annual reports.



Photos: the Company participating 2024 annual volunteer activities for "Sunflower Care Project"

**Table: Volunteer Service of the Company in 2024**

Indicator	Unit	2024
Total hours of employees' volunteer service <sup>1</sup>	Hour	48
Number of employees participated in volunteer service <sup>1</sup>	Person	60

<sup>1</sup> The total hours of employees' volunteer service and the number of employees participated in volunteer service include the hours of child-care volunteer services as claimed by employees.





## 9.8.2 Guidance with Content

The Company strives to deliver intrinsically motivated values and positive social energy to audience, and to advocate the values of social equality, peace and justice through its captivating drama series. For example, *The Swimsuit Saga* (《乘風踏浪》) broadcast in 2024 uses the real-life backdrop of Northeast China during the early stages of reform and opening-up as its narrative foundation. Through artistic techniques, it reproduces the collective enterprising spirit during the era of transformation. It innovatively portrays the group of characters in the entrepreneurial process in the form of a light comedy. It not only inherits the core of the “resilient, pragmatic, and innovative” spirit of the times, but also deepens the guidance of youth values through the vivid and detailed portrayal of the livelihood of the people, demonstrating the cultural dissemination effectiveness of film and drama series on the concept of sustainable social development. *In the Name of the Brother* (《哈爾濱一九四四》) deeply explores the dialectical relationship between revolutionary faith and human morality through dual-identity interplay and multi-dimensional character portrayals, highlighting the guiding effectiveness of film and drama series content on social values. It breaks through the framework of traditional spy war themes. With the narrative strategy of “small perspectives reflecting grand eras”, it focuses on the fate choices of ordinary individuals. By rigorously replicating historical scenes and examining details (such as Russian architectural styles and economic oppression policies), it strengthens the authenticity of the content and the educational value of the era, providing the audience with an immersive historical experience.

## 9.8.3 Community building

The Company was committed to promoting the dialogue and communication of the artist community. The Company continued to expand and strengthen its partnership with outstanding talents and artists in the industry, and enhance the stickiness of the cooperation between the Company and outstanding artists through various means such as organizing small sharing sessions, business/equity cooperation and equity incentives, in order to continuously attract talents in the industry and outstanding artists to join the Company’s content ecosystem, and thus empowered the production of high-quality and innovative content.

## 9.8.4 Empowering Women

The Company has consistently focused on women’s development by leveraging diverse film and television works to highlight the strengths of women across different historical and social contexts, and proactively exploring collaborations with more outstanding female producers, screenwriters, and directors. As of the end of the Reporting Period, the Company has invested in and produced several works focusing on women’s issues and empowerment. For example, *Never Too Late* (《我的助理不簡單》) depicts the challenges that female office workers of different ages encounter in their career paths, focuses on the joys and sorrows of working women, and illustrates the social justice and gender issues that women encounter in the workplace through detailed narratives. These works center on women’s growth narratives, showcasing their breakthroughs in professional fields and the realization of self-worth. Through depicting contemporary female figures embodying both wisdom and courage, the stories reflect the multifaceted realities of women’s lives in today’s society, fostering the awakening of female consciousness and challenging traditional stereotypes and implicit biases. At the same time, the Company aims to deepen societal recognition of women’s infinite potential through these narratives, thereby promoting gender equality and advancing the construction of an inclusive cultural environment.





In March 2025, Ms. Zhai Fang, executive director and the chief operating officer of the Company, shared the Company's practical experience and achievements in empowering women at the Women's Roundtable during the Boao Forum for Asia Annual Conference 2025.



Photo: On-site photo of the Women's Roundtable during the Boao Forum for Asia Annual Conference 2025

## 9.9 B9 Audience Diversity in Film and Television

The Company has always put the expansion of its audience base, promotion of innovative content, improvement of production quality and enhancement of social responsibility of its works as the top priority of its drama production. The Company continued to produce film and drama series of hybrid genres on the strength of, among others, its advantages in genre exploration, abundant resources on original works, and upstream-downstream cooperation. By data mining and data analysis, the Company carried out researches on audience profiles of various themes, sought to identify unmentioned topics of social concern and expanded its audience base of its film and drama series. It also made use of diversified communication platforms to actively meet the individual needs of its audience. For example, *In the Name of the Brother* (《哈爾濱一九四四》) constructs a complex human nature spectrum through multi-line narratives involving twin spies, the alienation of villainous power, and the survival dilemmas of civilians. It strengthens the suspense with subtle foreshadowing. At the same time, it adopts innovative and stylized audio-visual language to enhance the dramatic tension, promoting the transformation of the traditional spy war genre towards more youthful expression at the production level. *Love's Rebellion* (《四海重明》) abandons the common Wuxia elements in traditional fairy tale drama series. Instead, it focuses on the application of medical skills and spiritual power. Meanwhile, it integrates various elements deeply loved by young people, such as the slice-of-life storytelling, light comedy, revenge mysteries, and anime-inspired elements, making the drama richer and more interesting and catering to the tastes of different audiences.



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## APPENDIX I LIST OF KEY PERFORMANCE INDICATORS AND DATA





Indicator Category	Performance Indicator	Unit	2022	2023	2024
Environmental Performance	Total hazardous waste generation	Tonnes	0.023	0.018	0.024
	Total non-hazardous waste generation	Tonnes	4.26	4.02	4.40
	GHG emissions (Scope 1, Scope 2)	Tonnes of CO <sub>2</sub> e	35.54	35.01	34.67
	Total energy consumption	Tonnes of standard coal equivalent	12.90	12.73	12.67
Social Performance	Total water consumption	Tonnes	1,310	1,100	1,266
	Total number of employees	Person	65	71	77
	Total turnover rate of employees	%	16.9	15.5	17.14
	Percentage of employees trained	%	100	100	100
	Average training hours per employee <sup>1</sup>	Hour	12.0	11.6	11.7
	Number of work-related fatalities	Person	0	0	0
	Total hours of employees' volunteer service	Hour	30	49	48
Governance Performance	Number of suppliers	Entity	198	215	190
	Percentage of female directors in the Board <sup>2</sup>	%	33.3	25.0	28.6
	Percentage of independent directors in the Board	%	33.3	37.5	42.9
	Number of general meetings held	Meeting	3	1	2
	Number of Board meetings held	Meeting	5	4	6

<sup>1</sup> Average training hours per employee = total training hours/total number of employees;

<sup>2</sup> The Company is still committed to achieving board diversity (including gender diversity) and it will continue to increase the percentage of female members if suitable candidates are identified in the future.



## APPENDIX II INDEX TO ESG REPORTING CODE

Section of the Report	ESG Reporting Code Index	Contribution to SDGs
ABOUT THE REPORT	/	/
COMPANY PROFILE	/	/
BOARD STATEMENT	/	/
ESG MANAGEMENT	D(III)	/
ACTIVELY SUPPORTING SDGS	/	/
COMMUNICATION WITH STAKEHOLDERS	/	/
MATERIALITY ASSESSMENT	/	/
<b>A ENVIRONMENTAL RESPONSIBILITY</b>		
A1 Emissions	A1.1, A1.3, A1.4, A1.5, A1.6	13 CLIMATE ACTION 
A2 Use of Resources	A2.1, A2.2, A2.3, A2.4, A2.5	13 CLIMATE ACTION 
A3 The Environment and Natural Resources	A3.1	13 CLIMATE ACTION 
A4 Climate Change	D(I), D(II), D(III), D(IV)	13 CLIMATE ACTION 



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Section of the Report	ESG Reporting Code Index	Contribution to SDGs
<b>B SOCIAL IMPACT</b>		
B1 Employment	B1.1, B1.2	<div>3 GOOD HEALTH AND WELL-BEING</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div>
B2 Health and Safety	B2.1, B2.2, B2.3	<div>3 GOOD HEALTH AND WELL-BEING</div>
B3 Development and Training	B3.1, B3.2	<div>4 QUALITY EDUCATION</div>
B4 Labor Standards	B4.1, B4.2	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div>
B5 Supply Chain Management	B5.1, B5.2, B5.3, B5.4	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>
B6 Product Responsibility	B6.1, B6.2, B6.3, B6.4, B6.5	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>
B7 Anti-corruption	B7.1, B7.2, B7.3	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div>
B8 Community Investment	B8.1, B8.2	<div>3 GOOD HEALTH AND WELL-BEING</div> <div>10 REDUCED INEQUALITIES</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>
B9 Audience Diversity in Film and Television	/	/

